va-Q-tec

CREATING ENERGY EFFICIENCY

Consolidated financial statements of va-Q-tec AG for the 2014 financial year

Würzburg, 25 May 2016

Contents

Consolidated income statement

EUR

	Note	2014	2013
Revenues	4.1 1	**18,338,193**	**16,030,415**
Changes in inventories		83,346	298,473
Work performed by the company and capitalised	4.1 2	2,915,436	858,718
Other operating income	4.1 3	908,110	558,019
Total operating revenue		**22,245,085**	**17,745,625**
Cost of materials and services	4.1 4	- 9,486,618	- 7,259,719
Gross profit		**12,758,467**	**10,485,906**
Personnel expenses	4.1 5	- 7,461,456	- 5,887,494
Other operating expenses	4.1 7	- 3,627,233	- 2,981,951
EBITDA		**1,669,778**	**1,616,461**
Depreciation, amortisation and impairment losses	4.1 6	- 1,832,211	- 1,401,344
Earnings before interest and tax (EBIT)		**- 162,433**	**215,117**
Financial income		21,257	71,265
Financial expenses		- 744,442	- 488,157
Net financial result	4.1 8	**- 723,185**	**- 416,892**
Earnings before tax (EBT)		**- 885,618**	**- 201,775**
Income tax	4.1 9	263,571	- 16,793
Net income		**- 622,047**	**- 218,568**
Consolidated net income attributable to owners of va-Q-tec AG		**- 626,555**	**- 216,070**
Consolidated net income attributable to non-controlling interests		4,508	- 2,498
Earnings per share - basic and diluted	4.1.10	- 0.14	- 0.05

Consolidated statement of comprehensive income

EUR

	Note	2014	2013
Net income		**- 622,047**	**- 218,568**
Consolidated other comprehensive income			
Currency translation differences	4.2.2.1	- 7,496	- 968
Total other comprehensive income that will be reclassified to profit or loss		- 7,496	- 968
Consolidated total comprehensive income		**- 629,543**	**- 219,536**
Consolidated total comprehensive income attributable to owners of va-Q-tec AG		- 634,051	- 217,038
Consolidated total comprehensive income attributable to non-controlling interests		4,508	- 2,498

Consolidated statement of financial position

Assets EUR	**Note**	**31.12.2014**	**31.12.2013**	**01.01.2013**
Non-current assets				
Intangible assets	4.2.1.1	106,033	77,639	106,029
Property, plant and equipment	4.2.1.2	21,188,652	15,887,232	14,293,191
Financial assets	4.2.1.3	45,247	50,622	45,574
Other non-financial assets	4.2.1.4	476,510	276,830	282,087
Deferred tax assets	4.1 9	1,302,064	1,015,601	999,911
Total non-current assets		**23,118,506**	**17,307,924**	**15,726,792**
Current assets				
Inventories	4.2.1.5	4,070,768	3,788,020	3,241,682
Trade receivables	4.2.1.6	3,393,928	2,279,469	1,332,625
Other financial assets	4.2.1.3	46,842	26,108	119,752
Current tax assets		33,385	24,050	42,476
Other non-financial assets	4.2.1.4	1,273,920	605,118	1,763,949
Cash and cash equivalents	4.2.1.7	1,243,708	1,334,176	2,732,845
Total current assets		**10,062,551**	**8,056,941**	**9,233,329**
Total assets		**33,181,057**	**25,364,865**	**24,960,121**

Equity and liabilities EUR	**Note**	**31.12.2014**	**31.12.2013**	**31.12.2012**
Equity	4.2.2.1			
Issued share capital		4,578,187	4,578,187	4,526,181
Additional paid-in capital		9,055,249	9,055,249	8,705,249
Consolidated total other comprehensive income		- 8,464	- 968	-
Retained earnings		- 3,242,828	- 2,630,342	- 2,425,844
Equity attributable to parent company owners		**10,382,144**	**11,002,126**	**10,805,586**
Non-controlling interests	2.2	- 23,584	- 14,046	-
Total equity		**10,358,560**	**10,988,080**	**10,805,586**
Non-current liabilities				
Provisions	4.2.2.2	47,000	80,100	72,300
Bank borrowings	4.2.2.3	1,922,810	2,113,574	2,564,139
Other financial liabilities	4.2.2.4	1,811,107	2,375,863	2,960,853
Other non-financial liabilities	4.2.2.5	5,668,282	4,252,800	3,945,175
Total non-current liabilities and provisions		**9,449,199**	**8,822,337**	**9,542,467**
Current liabilities				
Provisions	4.2.2.2	49,485	58,410	91,321
Bank borrowings	4.2.2.3	3,337,572	1,562,296	675,565
Other financial liabilities	4.2.2.4	6,147,964	1,613,016	2,209,899
Trade payables	4.2.2.6	2,219,384	902,084	664,054
Tax liabilities		22,350	-	72,288
Other non-financial liabilities	4.2.2.5	1,596,543	1,418,642	898,941
Total current liabilities		**13,373,298**	**5,554,448**	**4,612,068**
Total equity and liabilities		**33,181,057**	**25,364,865**	**24,960,121**

Consolidated statement of cash flows
EUR

	2014	2013
Cash flow from operating activities		
Net income	-622,047	-218,568
Current income taxes recognised in income statement	22,891	32,484
Income taxes paid	-32,414	-104,703
Net finance costs recognised in income statement	723,185	416,892
Interest received	999	5,091
Interest paid	-547,980	-416,248
Depreciation, amortisation and impairment losses	1,832,211	1,401,344
Gain/loss from disposal of non-current assets	-	-4,448
Change in other assets	-649,990	493,740
Change in other liabilities	117,334	378,450
Change in provisions	-42,025	-25,111
Other non-cash expenses or income	-717,284	-241,769
Cash flow from operating activities before working capital changes	**84,880**	**1,717,154**
Change in inventories	-427,645	-572,795
Change in trade receivables	-1,114,458	-946,843
Change in trade payables	1,317,300	238,029
Net cash flow from operating activities	**-139,923**	**435,545**
Cash flow from investing activities		
Payments for investment in intangible assets	-76,244	-21,254
Proceeds from disposal of property, plant and equipment	-	16,748
Payments for investments in property, plant and equipment	-3,967,999	-2,489,194
Net cash flow from investing activities	**-4,044,243**	**-2,493,700**
Cash flow from financing activities		
Proceeds from equity increases	-	52,006
Proceeds from bank loans	3,146,808	1,111,731
Repayments of bank loans	-1,562,296	-675,565
Repayments of other financial liabilities	-	-50,000
Proceeds from sale-and-finance-leaseback transactions	4,479,468	1,154,210
Proceeds from government grants	254,165	1,050,390
Net cash inflow from factoring	27,009	263,274
Payments for finance leases liabilities	-2,251,226	-2,246,666
Change in restricted cash	-	650,000
Net cash flow from financing activities	**4,093,928**	**1,309,380**
Net cash flows before exchange rate effects	**-90,238**	**-748,775**
Effect of exchange rate changes on cash and cash equivalents	-230	106
Net change in cash and cash equivalents	**-90,468**	**-748,669**
Cash and cash equivalents at start of period	**1,334,176**	**2,082,845**
Cash and cash equivalents at end of period	**1,243,708**	**1,334,176**

Consolidated statement of changes in equity

EUR	Issued share capital	Additional paid-in capital	Retained earnings	Cumulative other comprehensive income	Equity attributable to parent company owners	Non-controlling interests	Total equity
				Currency translation reserves			
01.01.2013	**4,526,181**	**8,705,249**	**-2,425,844**	**-**	**10,805,586**	-	**10,805,586**
Net income	-	-	-216,070	-	-216,070	-2,498	-218,568
Consolidated other comprehensive income	-	-	-	-968	-968	-	-968
Consolidated total comprehensive income	**-**	**-**	**-216,070**	**-968**	**-217,038**	**-2,498**	**-219,535**
Equity transaction costs	-	-	-	-	-	-	-
Capital increase	52,006	350,000	-	-	402,006	-	402,006
Change in non-controlling interest	-	-	11,571	-	11,571	-11,548	23
31.12.2013	**4,578,187**	**9,055,249**	**-2,630,342**	**-968**	**11,002,126**	**-14,046**	**10,988,080**
01.01.2014	**4,578,187**	**9,055,249**	**-2,630,342**	**-968**	**11,002,126**	**-14,046**	**10,988,080**
Net income	-	-	-626,555	-	-626,555	4,508	-622,047
Consolidated other comprehensive income	-	-	-	-7,496	-7,496	-	-7,496
Consolidated total comprehensive income	**-**	**-**	**-626,555**	**-7,496**	**-634,051**	**4,508**	**-629,543**
Equity transaction costs	-	-	-	-	-	-	-
Change in non-controlling interest	-	-	14,069	-	14,069	-14,046	23
31.12.2014	**4,578,187**	**9,055,249**	**-3,242,828**	**-8,464**	**10,382,144**	**-23,584**	**10,358,560**

1 General information

1.1 Information about the company

The company va-Q-tec AG, which has its headquarters in Germany, 97080 Würzburg, Karl-Ferdinand-Braun Strasse 7, is entered in the commercial register of Würzburg under commercial register sheet number 7368. Besides va-Q-tec AG itself, the consolidated financial statements of va-Q-tec AG also include its subsidiaries (hereinafter also referred to as "va-Q-tec", "va-Q-tec Group", the “Group” or the "company"). va-Q-tec is a technologically leading supplier of highly efficient products and solutions in the thermal insulation area. The company develops, produces and sells innovative products for reliable and energy-efficient temperature controlling and insulation – vacuum insulation panels ("VIPs") and phase change materials ("PCMs"). va-Q-tec also produces passive thermal packaging systems (containers and boxes) through optimally combining 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 high thermal protection standards. Along with healthcare & logistics as the main market, va-Q-tec addresses the following further markets: cooling equipment & foodstuffs, technology & industry, construction and mobility.
This set of consolidated financial statements of va-Q-tec for the financial year ending 31 December 2014 was approved for publication by the Management Board on 25 May 2016.

1.2 Basis of preparation of the financial statements

As va-Q-tec AG falls short of the size criteria of Section 293 of the German Commercial Code (HGB), it is not obligated to prepare consolidated financial statements and a group management report pursuant to Section 290 HGB. In the past, the company has also not prepared consolidated financial statements in accordance with German Commercial Code (HGB) accounting standards, even on a voluntary basis.

This set of consolidated financial statements comprises the first voluntarily prepared consolidated financial statements, compiled as of 31 December 2014, including the comparable period as of 31 December 2013, as well as the opening balance sheet as of 1 January 2013. These consolidated financial statements were prepared in accordance with Section 315a (3) HGB in combination with Section 315a (1) HGB in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union (EU), as well as the supplementary German commercial law regulations to be applied pursuant to Section 315a (1) HGB. The term IFRS also comprises all still valid International Accounting Standards (IAS) as well as all interpretations and amendments of the International Financial Reporting Standards Interpretations Committee (IFRS IC) – formerly the International Financial Reporting Interpretations Committee (IFRIC) – and of the former Standing Interpretations Committee (SIC). Please see section 1.5 "Transition to IFRS" for more information about the transition to IFRS accounting.

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

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

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

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

- Level 1 inputs comprise quoted prices (unadjusted) on active markets for identical assets or liabilities to which va-Q-tec can access at the measurement date.
- Level 2 inputs comprise inputs other than Level 1 quoted prices, for which the value of the asset or liability is either directly observable, or can be derived indirectly from other prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

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

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

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

1.3 Effects of new accounting standards

The va-Q-tec Group has applied uniform accounting methods for all of the periods presented in its first set of IFRS consolidated financial statements. These comply with the mandatory applicable IFRS in the EU in the 2014 financial year.

The following new or amended standards/interpretations have already been approved by the IASB, but are not yet effective on a mandatory basis. The company has not applied these regulations early:

Amendments to IFRS adopted into EU law for financial years commencing after January 1, 2014

Standard	Title	Mandatory application for financial years commencing from
IFRIC 21	Levies	17.06.2014
Improvements to IFRS (2011-2013)	Annual Improvements 2011-2013	01.01.2015

According to the analyses that have been conducted, this creates no effects for accounting and measurement for the 2015 financial year.

Amendments to IFRS adopted into EU law for financial years commencing after January 1, 2015

Standard	Title	Mandatory application for financial years commencing from
Amendment to IFRS 11	Acquisition of an Interest in a Joint Operation	01.01.2016
Amendments to IAS 1	Disclosure Initiative	01.01.2016
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	01.02.2015
Amendments to IAS 16/IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	01.01.2016
Amendments to IAS 16/IAS 41	Agriculture: Bearer Plants	01.01.2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	01.01.2016
Improvements to IFRS (2012-2014)	Annual Improvements 2012-2014	01.01.2016
Improvements to IFRS (2010-2012)	Annual Improvements 2010-2012	01.02.2015

According to the analyses that have been conducted, this creates no significant effects for accounting and measurement for the 2016 financial year.

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

Standards not yet adopted into EU law

Standard	**Title**	**Mandatory application for financial years commencing from**
IFRS 9	Financial instruments	01.01.2018
IFRS 15	Revenue from Contracts with Customers	01.01.2018
IFRS 16	Leases	01.01.2019
Amendments to IFRS 10, 12, IAS 28	Investment Entities: Applying the Consolidation Exception	01.01.2016
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed for an indefinite period
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	01.01.2017
Amendments to IAS 7	Consolidated statement of cash flows	01.01.2017
Clarifications relating to IFRS 15		01.01.2018

Potential effects from standards or amendments to standards that have not yet been endorsed by the EU on the consolidated financial statements of va-Q-tec are being analysed currently.

1.4 Accounting judgements and estimates

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

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

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

- Determining useful economic lives for intangible assets and for property, plant and equipment, including assets leased as part of finance leases
- Classification of leases as operating leases or finance leases
- Impairment testing of assets based on appraisal of identifiable risks
- Impairment testing of deferred tax assets in relation to tax loss carryforwards
- Assessing the derecognition criteria of trade receivables as part of factoring agreements
- Estimating market-based yield curves as part of measuring derivative financial instruments, as calculated by the contractual partners (banks)
- Best possible estimate of the most probable settlement amount as part of the recognition and measurement of provisions
- Classification of share-based payment where va-Q-tec is granted a contractual option to settle in cash or through issuing equity instruments
- Fair value measurement of granted equity instruments on the grant date in the case of equity-settled share-based payment
- Assessing any requirement to separate, and measuring, embedded derivatives

1.5 Transition to IFRS

The consolidated financial statements of the va-Q-tec Group for the 2014 financial year have been prepared for the first time in accordance with IFRS, as applicable in the EU.

The main accounting policies presented in section 3 were applied uniformly to the consolidated financial statements as of 31 December 2014 (reporting date), to the comparable information as of 31 December 2013, and to the IFRS opening statement of financial position as of 1 January 2013 (transition date). As a matter of principle, IFRS 1 "First-Time Adoption of International Financial Reporting Standards" requires fully retrospective application of all standards requiring mandatory application as of 31 December 2014. Accordingly, the adjustments to the recognition and measurement methods required for first-time application of IFRS are to be applied retrospectively as if va-Q-tec had always prepared its accounts under IFRS.

Nevertheless IFRS 1provides some simplification options regarding the principle of applying IFRS retrospectively.

As of the transition date, va-Q-tec utilised the following options:

- The cumulative translation differences from the currency translation of independent foreign subsidiaries arising from retrospective first-time consolidation of the subsidiary in Korea were reclassified to retained earnings in the context of the opening statement of financial position (IFRS 1.D13)
- Borrowing costs for qualifying assets are capitalised only from the reporting date for the opening statement of financial position (IFRS 1.D23)

The va-Q-tec Group has prepared no consolidated financial statements under the accounting principles of the German Commercial Code (HGB) in the past, as a consequence no comparable information on the basis of earlier accounting principles is available. The presentation and explanation of effects arising from the transition from HGB to IFRS on the financial position and performance, as well as on cash flows (reconciliation pursuant to IFRS 1), is not required as a consequence.

In comparison to the separate HGB financial statements of va-Q-tec AG, significant transition effects arose in the following areas:

- An embedded derivative that is attributable to a special termination right for the investment company was separated from an existing dormant equity investment, and recognised separately at fair value. The fair value changes to the standalone derivative are recognised in profit or loss, under the net financial result.
- Investment grants and subsidies for property, plant and equipment that were recognised until 2011 directly in profit or loss under the German Commercial Code (HGB) were recognised under non-financial liabilities pursuant to IAS 20. They are released accordingly over the subsidised assets' useful lives, and recognised in other operating income.
- Development costs were capitalised pursuant to IAS 38 for the first time in 2014, as all recognition criteria were met. No utilisation was made of the capitalisation option for development costs under the German Commercial Code (HGB).
- Inventories were capitalised at production-based manufacturing cost. On the basis of German Commercial Code (HGB) accounting, general administrative overheads were included in the calculation of manufacturing cost.
- In order to limit interest rate risk, the company has entered into interest rate swaps for existing variable interest loans, which were aggregated with the corresponding underlying transactions to form a valuation unit under HGB accounting. Under IFRS, by contrast, no hedge accounting was applied. For this reason, the interest rate swaps' negative fair values were recognised as liabilities, and their fair value changes are recognised in the net financial result in profit or loss.

2 Consolidation

2.1 Consolidation scope

The consolidation scope is derived by applying IFRS 10 (Consolidated Financial Statements). In the consolidated financial statements of va-Q-tec AG as of 31 December 2014, the following subsidiaries were fully consolidated:

Consolidation scope of the va-Q-tec Group

Name	Headquarters	Equity interest 31.12.2014	Equity interest 31.12.2013	Equity interest 01.01.2013
va-Q-tec Ltd.	Rochester, UK	96%	98%	100%
va-Q-tec USA Inc.	East Rutherford, NJ, USA	100%	100%	-
va-Q-tec Korea Ltd.	Joong-gu, Incheon, Republic of Korea	100%	100%	100%

Diverging from the economic interest held in the equity of va-Q-tec Ltd. (UK), va-Q-tec AG legally holds 90% of the shares, and consequently of the voting rights, as of 31 December 2014 (31 December 2013: 90%; 1 January 2013: 90%). Please refer to the segment reporting for key financial information about the subsidiary.

va-Q-tec AG and its subsidiaries together form the va-Q-tec Group.

2.2 Consolidation scope changes and other acquisitions and disposals

va-Q-tec USA Inc., which was founded in August 2013, was included in the consolidation scope for the first time in the 2013 financial year.

Since va-Q-tec Ltd. (UK) was founded in 2011, a co-shareholder holds a legal 10% interest in the company, and is entitled to vote to this level. Due to economic restrictions, the shares were attributed to the majority shareholder until 1 January 2013, and no non-controlling interests were reported in the consolidated financial statements as a consequence. In 2013 and 2014, the economic restrictions were lifted for 2% of the capital interests in each case. In both cases, the transaction was recognised directly in equity as a majority-preserving reduction of interest, and results in the reporting of non-controlling interests.

2.3 Consolidation principles

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

Subsidiaries are those companies where the Group holds existing rights that endow it with the current capability to manage the companies' relevant activities. Relevant activities are those activities that significantly affect the company's profitability. For this reason, control exists if the Group is exposed to variable returns from its relationship to a company, and as a result of its power over the relevant activities it has the capability to influence these returns. In the va-Q-tec Group, the ability of control is based in all cases on a direct voting majority held by va-Q-tec AG. Inclusion of companies in the consolidated financial statements of va-Q-tec AG begins on the date from which the possibility of control exists. It ends if this control no longer exists.

As part of capital consolidation (consolidation of the investment account), the carrying amounts of the participating interests are offset with the subsidiary's proportional equity. As all subsidiaries comprise companies that va-Q-tec has founded, initial consolidation has not resulted in any differential amount. Non-controlling interests are reported according to the interest in the net assets of the respective company that is attributable to them.

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

Changes to the Group's percentage interests held in subsidiaries that do not result in a loss of control are recognised as equity transactions.

2.4 Foreign currency translation

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

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

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

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

	Closing rate			**Average rate**	
	31.12.2014	**31.12.2013**	**01.01.2013**	**2014**	**2013**
British pound	0.7789	0.8337	0.8161	0.8061	0.8493
US dollar	1.2141	1.3791	1.3194	1.3285	1.3281
South Korean won	1,324.80	1,450.93	1,406.23	1,398.14	1,453.91

3 Accounting policies

3.1 Consolidated income statement

Revenues

Sales revenues are measured at the fair value of the consideration received or to be received, and reflect the amounts that are to be received for goods and services in the normal course of business.

Sales revenues from the sale of goods are reported when the significant risks and rewards arising from ownership of the goods has transferred the customer, a price has been agreed, or can be calculated, and if payment is probable. Sales revenues from services are recognised to the extent that the service has been rendered, and the amount of the revenue can be measured reliably. Rebates, bonuses, VAT and other taxes associated with the service are deducted from sales revenues.

Net financial result

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

Income tax

The expense for taxes on income represents the sum of current income tax expense and deferred tax. The current income tax expense is calculated on the basis of taxable income for the year. Taxable earnings differ from the earnings before tax reported in the consolidated income statement, as these do not include income and expense items that were taxable or tax-deductible in other years, as well as items on which no tax is generally incurred, or which are generally not tax-deductible.

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

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

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

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

Earnings per share

Earnings per share (basic earnings per share) are calculated on the basis of IAS 33 (Earnings per share). Basic earnings per share are calculated by dividing the after-tax profits attributable to the parent company shareholders by the weighted average number of shares in issue during the financial year under review. Consolidated results do not need to be allocated to different share classes in this context, as both ordinary shares and preference shares enjoy equal entitlement to dividends. Diluted earnings per share are reported separately, where applicable. Diluted earnings per share are calculated on the assumption that all potentially dilutive instruments and share-based payment plans are converted or exercised.

3.2 Consolidated statement of financial position

3.2.1 Assets

Intangible assets

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

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

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

Software	3 – 5 years
Internally generated intangible assets	6 years

Gains or losses on the derecognition of intangible assets are calculated as the difference between net disposal proceeds and the asset's carrying amount, and recognised in profit or loss within other operating income or other operating expenses in the period in which the asset is derecognised.

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

Property, plant and equipment

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

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a so-called qualifying asset as part of the cost of that asset are capitalised as part of cost pursuant to IFRS. Neither in the period under review nor in the comparable period were any qualifying assets purchased or produced for which a capitalisation of borrowing costs would be required.

Property, plant and equipment are depreciated straight-line in accordance with the assets' utilisation type and useful life. Depreciation commences on the date on which the assets are available for their intended use. The residual values, depreciation methods and useful lives are reviewed annually and adjusted where required.

Depreciation is based predominantly on the following useful lives:

Buildings	
Buildings	50 years
Outdoor and other facilities	8 - 14 years
Production equipment and machinery	
Production plants	8 - 12 years
Other production equipment and machinery	3 - 10 years
Operating and office equipment	3 - 15 years
Container fleet	5 years

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

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

Impairment testing

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

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

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

Leases

Group as lessee

The Group leases or enters into hire purchase agreements for certain intangible assets, and property, plant and equipment. Such transactions are categorised as either operating or financing leases at the start of the respective lease. Pursuant to IAS 17, leases are classified as finance leases if the lease agreement essentially transfers all risks and rewards connected with ownership to the lessee. Assets from finance leases are recognised on the date of addition at the lower of the present value of the minimum lease payments and the leased asset's fair value. At the same time, a lease liability equivalent to the same amount is recognised among other current and non-current financial liabilities. As part of subsequent measurement, the asset from a finance lease is depreciated straight-line over the shorter of its economic useful life or its lease duration. Where indications of impairment exist, impairment losses are applied to the leased asset. Minimum lease payments are divided into interest and capital repayment components. The interest component in this context is expensed within the net financial result in the consolidated income statement. The capital repayment component reduces the lease liability.

Leases where the significant proportion of the risks and rewards remain with the lessor are classified as operating leases. The related lease expenses are expensed under other operating expenses in the consolidated income statement.

Sale-and-finance-leaseback transactions

As part of sale-and-finance-leaseback transactions, the Group sells containers to third parties, and then leases them back. As a result of the leaseback, the Group re-assumes all significant risks and rewards connected with ownership, and classifies the lease as a finance lease. The revenues from these intragroup sale-and-finance-leaseback transactions are eliminated in full. As all containers are produced and leased back via sale-and-finance-leaseback transactions in the same period, the related additions from own work performed by the enterprise and capitalised are offset with the same disposals of equal amount, and reported under changes to the cost of the container fleet under property, plant and equipment. Initial recognition of the finance lease asset is according to the general regulations of IAS 17, and results in a capitalisation of the leased asset and the corresponding liability.

The excess of the cash accruing to va-Q-tec (sales price) over the carrying amount or the own work capitalised,, resulting from the sale of containers, cannot be recognised immediately in profit or loss in the case of sale-and-finance-leaseback transactions, but is instead recognised on the liabilities side of the balance sheet under non-financial liabilities as deferred income (special item for deferred container profits). This deferred income is released through profit or loss over the lease duration, and reported under other operating income in the consolidated income statement.

Group as lessor

The Group acts as lessor in operating leases. This concerns the short-term rental of containers to third parties. Such leases are generally short-term in nature, and the risks and rewards connected with ownership do not transfer to the lessee. The leased containers are reported under non-current assets, and the lease income is presented within sales revenue.

Inventories

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

Financial instruments and financial assets

Financial assets comprise especially receivables, derivative financial instruments with positive market values and cash. Recognition and measurement is performed in accordance with IAS 39. Financial assets are recognised if the Group is contractually entitled to receive cash or other financial assets from third parties. Purchases and sales of financial assets are recognised as of the settlement date, as a matter of principle. Financial assets are initially recognised at fair value, plus transaction costs where relevant. Transaction costs of financial assets that are measured at fair value through profit or loss are expensed. Subsequent measurement is performed in accordance with allocation to the categories of financial assets pursuant to IAS 39.

Financial assets measured at fair value through profit or loss comprise financial assets held for trading, including derivative financial instruments that were not designated as hedging instruments. Changes to the fair values of financial assets in this category are expensed. The gain or loss arising from measuring derivative financial instruments is expensed under the net financial result, unless the derivative is included as a hedging instrument as part of the hedge (hedge accounting), and is effective as such. No hedge accounting was applied either in the current year or in the previous year.

Loans and receivables are non-derivative financial assets that are not quoted in an active market. They are measured at amortised cost applying the effective interest method, and take any impairment into account. Trade receivables, receivables included among other financial assets, and cash and cash equivalents are allocated to this measurement category.

No financial assets were categorised as held-to-maturity investments or as available-for-sale financial assets in either the year under review or in the previous year.

Financial assets are tested for potential impairment on each reporting date. If any objective indications of impairment exist, an impairment loss is expensed equivalent to the difference between the asset's carrying amount and the present value of its expected future cash flows, and recognised within a separate impairment account. If the level of the impairment reduces in subsequent periods due to events that have occurred objectively after the date when the impairment was recognised, the impairment is reversed in the equivalent amount through profit or loss. Impaired receivables are derecognised if they are assessed as uncollectible.

Financial assets whose contractual rights to cash flows end, or financial assets where essentially all risks and rewards connected with ownership of the asset transfer to a third party, are not recognised.

3.2.2 Equity and liabilities

Equity

Equity comprises cash and non-cash capital contributions that substantiate a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the issue proceeds received, less directly attributable transaction costs. Transaction costs comprise costs that would not have been incurred without the issue of the equity instrument. These are deducted from additional paid-in capital taking all tax effects into account.

Share-based payment

Equity-settled, share-based payment for employees is measured at the fair value of the equity instrument on the grant date. Measurement of the current program resulted in a fair value of EUR 0 per option as of the grant date. As a matter of principle, the calculated fair value is recognised straight-line over the period until vesting as an expense with a corresponding increase in equity (additional paid-in capital), and is based on the Group's expectations concerning equity instruments to be vested prospectively. No expense is recognised for the current programme given the zero fair value on the grant date. On each reporting date, the Group reviews its estimates relating to the number of equity instruments that will become vested.

Section 5 "Other disclosures" provides further information about share-based payment within the va-Q-tec Group.

Government grants

A government grant is not recognised until there is reasonable assurance that the company will comply with the conditions attaching to it, and that the grant will be received. They are recognised in profit or loss in the period in which the Group bears the corresponding expenses that are to be offset by the grants. Government grants whose most important condition is the purchase, construction or other type of acquisition of long-term assets are recognised as non-financial liabilities on the statement of financial position. They are released through profit or loss within other operating income based on the corresponding asset's useful life.

Provisions

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

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

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

Financial liabilities

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

4 Notes

4.1 Consolidated income statement

4.1.1 Revenues

The revenues are comprised as follows:

EUR	2014	2013
Product ans systems	14,447,980	14,136,789
Services	3,058,479	1,144,975
Other	831,734	748,651
Group, total	**18,338,193**	**16,030,415**

The product and system business comprises the production and sale of vacuum insulation panels, heat storage components, and thermal packaging. These products are sold in the following sectors: pharmaceuticals, logistics, appliance & food, technics & industry, mobility, and construction. The business with services comprises the global container service business for the transportation of temperature-sensitive goods, predominantly pharmaceutical and biotech products. Other revenues are generated mainly through thermal consulting and government-subsidised research projects.

The Services business, consisting mainly of the container service business, reported significant revenue growth in excess of 160% year-on-year.

Please refer to the section on segment reporting for more information.

4.1.2 Work performed by the company and capitalised

The following table shows the trend in work performed by the company and capitalised in the 2013 and 2014 financial years. Work performed by the company and capitalised deriving from the container fleet registered a significant increase in 2014 due to the strong growth of operating activities in this area.

EUR	2014	2013
Work performed by the company and capitalised arising from container sale-and-finance-leaseback transactions	2,570,208	685,258
Other work performed by the company and capitalised	345,228	173,460
Group, total	**2,915,436**	**858,718**

Of the total research and development costs of EUR 990,825 incurred in 2014 (previous year: EUR 590,136), EUR 22,768 (previous year: EUR 0) meet IFRS capitalisation criteria. The research and development costs were recognised in the corresponding items of the consolidated income statement.

4.1.3 Other operating income

EUR	2014	2013
Income from release of special item for grants	358,700	300,394
Income from release of special item for deferred container profits	210,046	39,224
Exchange rate gains	77,847	7,737
Income from insurance compensation	44,815	-
Income from other accounting periods	155,132	77,640
Renewable energy subsidies	21,015	19,381
Gains on fixed asset disposals	-	4,448
Other income	40,555	109,195
Group, total	**908,110**	**558,019**

4.1.4 Cost of materials and services

EUR	2014	2013
Cost of raw materials and supplies	8,471,015	6,541,271
Cost of purchased services	1,015,603	718,448
Group, total	**9,486,618**	**7,259,719**

4.1.5 Personnel expenses

The following table shows the trend in personnel expenses in the 2013 and 2014 financial years.

EUR	2014	2013
Wages and salaries	6,357,804	4,971,600
Social security contributions	1,103,652	915,894
Group, total	**7,461,456**	**5,887,494**

Social security contributions contain mainly employer contributions to statutory social security. A defined contribution pension scheme exists as part of German statutory pension insurance for employees in Germany, to which the va-Q-tec Group is required to make payments at the contribution rate prevailing during the period under review of 9.45% (employer component) of pension compensation. The contributions rendered amounted to EUR 458,667 in 2014 (previous year: EUR 386,510). In addition, va-Q-tec AG renders contributions of EUR 58,440 (previous year: EUR 45,971) to direct insurance as part of its company pension scheme. Defined contribution commitments have also existed for the Management Board members since 2014, for which EUR 20,400 (previous year: EUR 720) was paid into an external congruently reinsured pension fund in the current financial year. As a consequence EUR 537,507 (previous year: EUR 433,201) of expenses for defined contribution pension plans were recognised.

The average number of employees in the 2013 and 2014 financial years is presented below:

	2014	2013
Male employees	149	138
Female employees	41	36
Group, total	**190**	**174**

4.1.6 Depreciation, amortisation and impairment losses

Depreciation and amortisation charges of EUR 1,832,211 were incurred in the 2014 financial year (previous year: EUR 1,401,344). No impairment losses or reversals of impairment losses occurred in either of these financial years.

4.1.7 Other operating expenses

EUR	2014	2013
Marketing and sales	660,770	347,070
Repair and maintenance	590,592	401,461
Legal, patents and consulting costs	540,471	724,184
Rent and leasing	426,833	399,880
Freight	352,806	231,293
IT and other office costs	244,701	186,042
Other personnel expenses	215,380	137,859
Insurance and contributions	161,249	150,424
Additions to other provisions	50,500	7,000
Expenses relating to other accounting periods	39,480	36,027
Exchange rate losses	37,057	36,502
Loss on disposal of other non-financial assets	-	37,840
Other	307,394	286,369
Group, total	**3,627,233**	**2,981,951**

The "Other" item comprises mainly the compensation of the Supervisory Board members, incidental money transfer costs, and other resources and services required for operations such as laboratory supplies and outsourced commercial activities.

4.1.8 Net financial result

EUR	2014	2013
Interest income	999	5,091
Income from derivative financial instruments	20,258	66,174
Financial income	**21,257**	**71,265**
Interest expense	- 583,057	- 470,706
Expenses from derivative financial instruments	- 161,385	- 17,451
Financial expenses	**- 744,442**	**- 488,157**
Net financial result	**- 723,185**	**- 416,892**

4.1.9 Income tax

EUR		
Actual tax expense (tax income)	**2014**	**2013**
Current period	55,305	32,484
Prior periods	- 32,414	-
Deferred tax expense (tax income)	- 286,462	- 15,691
Group, total	**- 263,571**	**16,793**

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

The tax reconciliation account explains the connection between the expected tax expense and the actually reported tax expense, which derives from the IFRS consolidated result before income tax, applying a 29.6% income tax rate (previous year: 29.2%). In each case, the income tax rate applied corresponds to the average domestic tax rate of va-Q-tec AG comprised of corporation tax (plus the solidarity surcharge) and trade tax. The year-on-year change in the tax rate arises from an increase in the local trade tax rate.

EUR	2014	2013
Consolidated earnings before tax	**- 885,618**	**- 201,775**
Expected income tax expense	29.6%	29.2%
Expected income tax expense (tax income)	**- 262,524**	**- 58,993**
Tax-free income	- 38,598	- 34,149
Non-tax-deductible operating expenses	34,848	43,977
Non-capitalised deferred taxes on temporary differences and tax loss	54,483	26,642
Reported tax expense	- 32,414	-
Divergent foreign tax rates	- 1,196	23,975
Other effects	- 18,170	15,341
Reported tax expense (tax income)	**- 263,571**	**16,793**

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

31.12.2014	**Deferred tax assets**	**Deferred tax liabilities**
EUR	31.12.2014	31.12.2014
ASSETS		
Intangible assets	-	10,409
Property, plant and equipment	46,213	100,717
Non-current financial assets	-	9,825
Inventories	38,558	-
Trade receivables	-	90,940
Other current financial assets	119	-
Other current non-financial assets	-	-
EQUITY AND LIABILITIES		
Non-current provisions	5,825	-
Non-current financial liabilities	100,397	-
Other non-current non-financial liabilities	724,519	-
Current provisions	-	-
Other current financial liabilities	88,524	-
Other current non-financial liabilities	192,241	-
Loss carryforwards	317,559	-
Total	**1,513,955**	**211,891**
Offsetting	- 211,891	
As reported	**1,302,064**	

31.12.2013	**Deferred tax assets**	**Deferred tax liabilities**
EUR	31.12.2013	31.12.2013
ASSETS		
Intangible assets	-	6,016
Property, plant and equipment	11,593	30,778
Non-current financial assets	-	1,748
Inventories	14,072	-
Trade receivables	-	81,180
Other current financial assets	-	-
Other current non-financial assets	-	-
EQUITY AND LIABILITIES		
Non-current provisions	3,143	-
Non-current financial liabilities	50,463	-
Other non-current non-financial liabilities	352,973	-
Current provisions	-	-
Other current financial liabilities	84,275	1,009
Other current non-financial liabilities	73,217	-
Loss carryforwards	546,596	-
Total	**1,136,332**	**120,731**
Offsetting	- 120,731	
As reported	**1,015,601**	

01.01.2013	Deferred tax assets	Deferred tax liabilities
EUR	01.01.2013	01.01.2013
ASSETS		
Intangible assets	-	8,422
Property, plant and equipment	1,690	-
Non-current financial assets	-	2,065
Inventories	18,451	-
Trade receivables	-	3,508
Other current financial assets	-	-
Other current non-financial assets	-	-
EQUITY AND LIABILITIES		
Non-current provisions	13,581	-
Non-current financial liabilities	62,370	-
Other non-current non-financial liabilities	278,512	-
Current provisions	-	5,847
Other current financial liabilities	8,622	-
Other current non-financial liabilities	44,862	-
Loss carryforwards	591,665	-
Total	**1,019,753**	**19,842**
Offsetting	- 19,842	
As reported	**999,911**	

Deferred tax assets are only recognised if it is possible that these tax benefits can be realised. This entails taking into account all currently known positive and negative factors affecting future taxable results. Of the deferred tax assets, EUR 220,335 (31 December 2013: EUR 1,015,601; 1 January 2013: EUR 999,911) are attributable to individual companies that have incurred tax losses in either the current reporting period or in the previous period. Due to the positive business trend, the Group generally assumes that its deferred tax assets can be utilised. In particular in our manufacturing business (va-Q-tec AG) and our container services business (va-Q-tec Ltd (UK)) we made substantial investments in 2012-2014 into personnel, technology and capacity in order provide the required basis for growth. Sustained profitability is assumed in the medium term, thereby allowing the deferred tax assets to be utilised.

As of 31 December 2014 tax loss carryforwards amount to EUR 413,600 (31 December 2013: EUR 199,186; 1 January 2013: EUR 98,920), for which no deferred tax assets were recognised. These tax loss carryforwards arise from the subsidiaries in Korea and the USA, which comprise mainly regional purchasing or sales companies. Both companies are still in their foundation and start-up phases, during which they are still operating with losses. The tax loss carryforwards in the USA can be utilised for up to 20 years, and in Korea for up to 10 years.

4.1.10 Earnings per share

Pursuant to IAS 33, the va-Q-tec Group is not required to calculate and state earnings per share. Disclosures are made voluntarily, and comply in full with the requirements of IAS 33.

Earnings per share are as follows:

	2014	2013
Consolidated net result after non-controlling interests (EUR)	**- 626,555**	**- 216,070**
Weighted average number of shares	4,578,187	4,552,184
Earnings per ordinary share and preference share (EUR)	- 0.14	- 0.05

The preference shares and ordinary shares of va-Q-tec AG enjoy equal entitlement in terms of dividends. For this reason, earnings per share in relation to ordinary shares and preference shares do not need to be reported separately.

Please refer to the notes about equity (section 4.2.2.1) for an explanation of the composition of the share capital, and about the capital increase in 2013.

No potentially dilutive financial instruments were issued in the 2013 and 2014 financial years.

4.2 Statement of financial position

4.2.1 Assets

4.2.1.1 Intangible assets

Non-current assets		**Acquisition and production cost**					
EUR		Balance on **01.01.2014**	Exchange rate differences	Additions	Reclassifica-tions	Disposals	Balance on **31.12.2014**
1.	Software	328,532	-	53,477	-	-	382,009
2	Internally generated intangible assets in production stage	-	-	22,768	-	-	22,768
	Intangible assets, total	**328,532**	**-**	**76,245**	**-**	**-**	**404,777**
		Balance on **01.01.2013**	Exchange rate differences	Additions	Reclassifica-tions	Disposals	Balance on **31.12.2013**
1.	Software	307,278	-	21,254	-	-	328,532
2	Internally generated intangible assets in production stage	-	-	-	-	-	-
	Intangible assets, total	**307,278**	**-**	**21,254**	**-**	**-**	**328,532**

Non-current assets		**Depreciation, amortisation and impairment losses**					**Carrying amounts**	
EUR		Balance on **01.01.2014**	Exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Disposals	Balance on **31.12.2014**	Balance on **31.12.2014**	Balance on **31.12.2013**
1.	Software	250,893	-	47,850	-	298,743	83,266	77,639
2	Internally generated intangible assets in production stage	-	-	-	-	-	22,768	-
	Intangible assets, total	**250,893**	**-**	**47,850**	**-**	**298,743**	**106,034**	**77,639**
		Balance on **01.01.2013**	Exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Disposals	Balance on **31.12.2013**	Balance on **31.12.2013**	Balance on **31.12.2012**
1.	Software	201,249	-	49,644	-	250,893	77,639	106,029
2	Internally generated intangible assets in production stage	-	-	-	-	-	-	-
	Intangible assets, total	**201,249**	**-**	**49,644**	**-**	**250,893**	**77,639**	**106,029**

The software item includes intangible assets arising from a finance lease. The net carrying amount of the respective assets stands at EUR 12,345 as of the reporting date (31 December 2013: EUR 20,575; 1 January 2013: EUR 28,805).

No indicators of potential impairment were identified. Accordingly, no impairment losses or reversals of impairment losses pursuant to IAS 36 were applied in either the period under review, or in the previous year. The intangible assets that the company itself is in the process of creating retained their value as of the reporting date.

4.2.1.2 Property, plant and equipment

Non-current assets		Acquisition and production cost					
EUR		Balance on **01.01.2014**	Exchange rate differences	Additions	Reclassifica-tions	Disposals	Balance on **31.12.2014**
1.	Land and buildings	4,915,814	-	35,921	-	-	4,951,735
2	Production equipment and machinery	7,605,021	-	2,005,050	437,827	-	10,047,898
3.	Other plant, operating and office equipment	2,740,512	230	12,011	-	-	2,752,753
4.	Container fleet	1,732,209	-	4,545,058	-	-	6,277,267
5.	Plant under construction	3,707,282	-	487,511	-437,827	-	3,756,966
	Property, plant and equipment, total	**20,700,838**	**230**	**7,085,551**	**-**	**-**	**27,786,619**
		Balance on **01.01.2013**	Exchange rate differences	Additions	Reclassifica-tions	Disposals	Balance on **31.12.2013**
1.	Land and buildings	4,483,854	-	378,468	53,492	-	4,915,814
2	Production equipment and machinery	5,654,299	-	152,423	1,798,904	605	7,605,021
3.	Other plant, operating and office equipment	2,553,021	-105	154,097	94,153	60,654	2,740,512
4.	Container fleet	468,484	-	1,258,185	5,540	-	1,732,209
5.	Plant under construction	4,644,399	-	1,014,972	-1,952,089	-	3,707,282
	Property, plant and equipment, total	**17,804,057**	**-105**	**2,958,145**	**-**	**61,259**	**20,700,838**

Non-current assets		Depreciation, amortisation and impairment losses					Carrying amounts	
EUR		Balance on **01.01.2014**	Exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Disposals	Balance on **31.12.2014**	Balance on **31.12.2014**	Balance on **31.12.2013**
1.	Land and buildings	495,798	-	157,828	-	653,626	4,298,109	4,420,016
2	Production equipment and machinery	2,524,682	-	718,840	-	3,243,522	6,804,376	5,080,340
3.	Other plant, operating and office equipment	1,534,695	-	308,053	-	1,842,748	910,005	1,205,817
4.	Container fleet	258,431	-	599,640	-	858,071	5,419,196	1,473,777
5.	Plant under construction	-	-	-	-	-	3,756,966	3,707,282
	Property, plant and equipment, total	**4,813,606**	**-**	**1,784,361**	**-**	**6,597,967**	**21,188,652**	**15,887,232**
		Balance on **01.01.2013**	Exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Disposals	Balance on **31.12.2013**	Balance on **31.12.2013**	Balance on **31.12.2012**
1.	Land and buildings	343,850	-	151,948	-	495,798	4,420,016	4,140,003
2	Production equipment and machinery	1,797,385	-	727,902	605	2,524,682	5,080,340	3,856,914
3.	Other plant, operating and office equipment	1,243,904	-	339,145	48,354	1,534,695	1,205,817	1,309,117
4.	Container fleet	125,726	-	132,705	-	258,431	1,473,777	342,758
5.	Plant under construction	-	-	-	-	-	3,707,282	4,644,399
	Property, plant and equipment, total	**3,510,865**	**-**	**1,351,700**	**48,959**	**4,813,606**	**15,887,232**	**14,293,191**

Assets arising from a finance lease are reported under property, plant and equipment. As of 31 December 2014, these are attributable in a net carrying amount of EUR 5,298,273 to the container fleet (31 December 2013: EUR 1,364,929; 1 January 2013: EUR 335,500). Technical plant and machinery, as well as plant under construction, include assets from finance leases with a net carrying amount as of 31 December 2014 of EUR 4,532,077 (31 December 2013: EUR 3,695,274; 1 January 2013: EUR 2,395,699).

The following items of property, plant and equipment serve to collateralise financial liabilities:

- All buildings and land serve as collateral for long-term bank loans. The Group owns land and buildings exclusively at its Kölleda site.
- All plants and machinery from finance leases at the Würzburg and Kölleda location serve as collateral for the financing of the leasing company. Of the other technical plant and machinery, a proportion with a carrying amount of EUR 1,218,244 (31 December 2013: EUR 847,216; 1 January 2013: EUR 945,578) serves as collateral for long-term bank loans.
- From the "Other equipment" category, assets amounting to EUR 803,190 (31 December 2013: EUR 821,742; 1 January 2013: EUR 722,197) at the Kölleda site serve as collateral for long-term bank loans.
- The entire container fleet deriving from sale-and-finance-leaseback transactions serves the leasing company as collateral for the financing that it grants.

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

4.2.1.3 Other non-current and current financial assets

Other financial assets EUR	**Non-current**	**Current**	**Balance on 31.12.2014**
Derivative financial instruments	-	16,900	**16,900**
Suppliers with debit balances	-	6,280	**6,280**
Deposits	45,247	22,645	**67,892**
Miscellaneous	-	1,017	**1,017**
Group, total	**45,247**	**46,842**	**92,089**

Other financial assets EUR	**Non-current**	**Current**	**Balance on 31.12.2013**
Derivative financial instruments	5,904	-	**5,904**
Suppliers with debit balances	-	25,326	**25,326**
Deposits	44,718	-	**44,718**
Miscellaneous	-	782	**782**
Group, total	**50,622**	**26,108**	**76,730**

Other financial assets EUR	**Non-current**	**Current**	**Balance on 01.01.2013**
Suppliers with debit balances	-	61,832	**61,832**
Deposits	45,574	57,794	**103,368**
Miscellaneous	-	126	**126**
Group, total	**45,574**	**119,752**	**165,326**

The other financial assets are neither overdue nor impaired.

4.2.1.4 Other non-current and current non-financial assets

Other non-financial assets EUR	**Non-current**	**Current**	**Balance on 31.12.2014**
Advance payments on intangible assets	199,680	-	**199,680**
Advance payments on property, plant and equipment	276,830	-	**276,830**
VAT receivables	-	551,207	**551,207**
Advance payments on inventories	-	41,460	**41,460**
Receivables arising from applications for subsidies	-	520,845	**520,845**
Advance payments and accrued income	-	38,794	**38,794**
Miscellaneous	-	121,614	**121,614**
Group, total	**476,510**	**1,273,920**	**1,750,430**

Other non-financial assets EUR	**Non-current**	**Current**	**Balance on 31.12.2013**
Advance payments on property, plant and equipment	276,830	-	**276,830**
VAT receivables	-	51,067	**51,067**
Advance payments on inventories	-	146,155	**146,155**
Receivables arising from applications for subsidies	-	288,655	**288,655**
Advance payments and accrued income	-	41,752	**41,752**
Miscellaneous	-	77,489	**77,489**
Group, total	**276,830**	**605,118**	**881,948**

Other non-financial assets EUR	**Non-current**	**Current**	**Balance on 01.01.2013**
Advance payments on property, plant and equipment	282,087	-	**282,087**
VAT receivables	-	520,644	**520,644**
Advance payments on inventories	-	55,410	**55,410**
Receivables arising from applications for subsidies	-	1,062,059	**1,062,059**
Advance payments and accrued income	-	57,784	**57,784**
Miscellaneous	-	68,052	**68,052**
Group, total	**282,087**	**1,763,949**	**2,046,036**

The other non-financial assets comprise mainly claims to reimbursement of energy tax, receivables due from employees, and other advance payments. The receivables arising from subsidies that have been applied for relate to government grants that were granted as part of the expansion of the Kölleda location.

4.2.1.5 Inventories

The inventories position has increased by EUR 282,748 overall (previous year: EUR 546,338).

Inventories EUR	**31.12.2014**	**31.12.2013**	**01.01.2013**
Raw materials and supplies	2,588,785	2,387,387	2,062,483
Work in progress	183,105	338,889	268,593
Finished products and goods	1,298,878	1,061,744	910,606
Group, total	**4,070,768**	**3,788,020**	**3,241,682**

Inventories as of 31 December 2014 include EUR 271,121 impairment (31 December 2013: EUR 126,430; 1 January 2013: EUR 99,767). All of the changes in valuation allowances were recognised in profit or loss under changes in inventories. No reversals of valuation allowances were applied in either the reporting year or the previous year. The carrying amount of inventories recognised at net realisable value stands at EUR 392,980 as of 31 December 2014 (31 December 2013: EUR 302,408; 1 January 2013: EUR 265,476).

4.2.1.6 Trade receivables

Changes in valuation allowances applied to trade receivables

EUR	**2014**	**2013**
Balance at 1 January	31,036	73,770
Consumption	-	46,565
Release	5,171	5,505
Addition	-	9,336
Balance at 31 December	**25,865**	**31,036**

Where a risk of default relates to a customer, specific valuation allowances applied. The respective business unit head assesses the risk level.

Current trade receivables in an amount of EUR 3,265,017 were transferred against cash as part of factoring agreements during the financial year under review (previous year: EUR 1,169,773). As the transfer does not significantly change the risk position of va-Q-tec, the related receivables are not derecognised, but continue to be reported as trade receivables. The cash received is presented as financing, and reported among current financial liabilities.

The carrying amount of the transferred receivables and of the financial liabilities stands at EUR 290,283 as of 31 December 2014 (31 December 2013: EUR 263,274; 1 January 2013: EUR 0).

For further information about the trade receivables, please refer to the remarks concerning financial instruments (section 4.4) and risk management (section 4.6).

4.2.1.7 Cash and cash equivalents

The cash and cash equivalents comprise cash balances as well as cash accounts and short-term deposits at banks that had a remaining term of up to three months on addition.

EUR	31.12.2014	31.12.2013	01.01.2013
Current account balances	987,158	679,001	680,759
Savings account balances	254,065	653,471	2,050,844
Cash balances	2,485	1,704	1,242
Group, total	**1,243,708**	**1,334,176**	**2,732,845**

Of the savings account balances as of 1 January 2013, EUR 650,000 are subject to availability restrictions imposed by the banks that were liftedduring the course of the 2013 financial year. The cash and cash equivalents reported in the consolidated cash flow statement as of 1 January 2013 were reduced to reflect the amount that is subject to restricted availability. The lifting of the restriction was presented as a change within net cash flow from financing activities in the 2013 financial year.

4.2.2 Equity and liabilities

4.2.2.1 Equity

The consolidated statement of changes in equity provides a separate presentation of the changes in equity and comprehensive income. The components of comprehensive income are presented on an aggregated basis in the consolidated statement of comprehensive income.

Issued share capital

The share capital of the parent entity va-Q-tec AG is reported as the issued share capital in the consolidated financial statements.

The share capital of va-Q-tec AG consists of ordinary shares and voting-entitled preference shares each with a nominal amount of EUR 1.00. Their divisions and changes are presented in the following table:

	Number of shares	Nominal value
		EUR
Ordinary shares	3,470,850	3,470,850
Series A1 preference shares	408,500	408,500
Series A2 preference shares	698,837	698,837
Balance on 31.12.2014	**4,578,187**	**4,578,187**
Ordinary shares	3,470,850	3,470,850
Series A1 preference shares	408,500	408,500
Series A2 preference shares	698,837	698,837
Balance on 01.01.2014	**4,578,187**	**4,578,187**
Ordinary shares	3,470,850	3,470,850
Series A1 preference shares	408,500	408,500
Series A2 preference shares	646,831	646,831
Balance on 01.01.2013	**4,526,181**	**4,526,181**

In relation to the holders of ordinary shares, the holders of preference shares Series A1 and Series A2 are not entitled to any extra dividend. This does not apply, however, given the generation of liquidation proceeds in the instance that (i) all of the company's shares, or shares of all shareholders corresponding to their respective interest in the company, are purchased, exchanged or transferred in close temporal connection, (ii) the company is liquidated, (iii) the sale of significant assets, distribution of existing reserves or other distributions occurs with payments by the company to shareholders, or (iv) a cash settlement is paid at the time of the merger. In a distribution of liquidation proceeds, Series A2 preference shares would rank ahead of Series A1 preference shares in the sequence of payout.

With an EGM resolution on 28 June 2013, the share capital was increased by EUR 52,006 to EUR 4,578,187 through issuing 52,006 new Series A2 registered preference shares with voting rights, as individual share certificates with a proportional amount in the share capital of EUR 1.00 per share.

Additional paid-in capital

Additional paid-in capital includes mainly contributions from shareholders pursuant to Section 272 (2) No. 1 of the German Commercial Code (HGB), less directly attributable transaction costs.

The EUR 350,000 change in additional paid-in capital in 2013 arises from the aforementioned capital increase. The premium arose through converting a former dormant investment of EUR 350,000.

Consolidated total other comprehensive income

Consolidated total other comprehensive income includes the reserve arising from the foreign currency translation of the foreign subsidiaries' financial statements.

Retained earnings

Retained earnings mainly comprise cumulative profits carried forward, differential amounts arising from the first-time application of IFRS, and the share of periodic consolidated earnings that is attributable to the owners of va-Q-tec AG.

4.2.2.2 Non-current and current provisions

Provisions

EUR

	Warranties	Archiving	Litigation costs	Other	Total
Balance on 01.01.2014	**63,000**	**17,100**	**29,500**	**28,910**	**138,510**
Addition	-	-	-	33,885	**33,885**
Utilisation	-	-	-	17,410	**17,410**
Release	33,000	100	13,900	11,500	**58,500**
Balance on 31.12.2014	**30,000**	**17,000**	**15,600**	**33,885**	**96,485**
- of which non-current	*30,000*	*17,000*	-	-	*47,000*
- of which current	-	-	*15,600*	*33,885*	*49,485*
Balance on 01.01.2013	**56,000**	**16,300**	**32,500**	**58,821**	**163,621**
Addition	7,000	800	-	17,410	**25,210**
Utilisation	-	-	3,000	47,321	**50,321**
Release	-	-	-	-	**-**
Balance on 31.12.2013	**63,000**	**17,100**	**29,500**	**28,910**	**138,510**
- of which non-current	*63,000*	*17,100*	-	-	*80,100*
- of which current	-	-	*29,500*	*28,910*	*58,410*

The provisions for warranties were calculated on the basis of the previous year's number of complaints, and taking current business trends into account. Provisions for archiving costs are based on collective archiving costs. Provisions for litigation costs include the expected costs from both current and pending litigation. The other provisions are mainly provisions for pending losses arising from sales of products to customers where such sales have failed to cover their costs.

The company refrained from discounting non-current provisions for reasons of materiality.

4.2.2.3 Non-current and current bank borrowings

The bank borrowings consist of long-term investment loans to finance land, buildings and plants, and short-term current account overdrafts to finance current assets. These liabilities are subject to covenants relating to the gearing and equity ratio of va-Q-tec AG and of the Group. They are secured through land charges and the collateral assignment of machinery and fixtures, in both cases at the Kölleda site. The long-term loans have remaining terms of one to six years.

4.2.2.4 Other non-current and current financial liabilities

Financial liabilities EUR	**Non-current**	**Current**	**Balance on 31.12.2014**
Finance leases	985,289	5,266,743	**6,252,032**
Dormant investment	466,109	-	**466,109**
Derivative financial instruments	359,709	-	**359,709**
Factoring	-	290,283	**290,283**
Customer bonuses	-	250,000	**250,000**
Deferred liabilities for outstanding invoices	-	232,484	**232,484**
Miscellaneous	-	108,454	**108,454**
Group, total	**1,811,107**	**6,147,964**	**7,959,071**

Financial liabilities EUR	**Non-current**	**Current**	**Balance on 31.12.2013**
Finance leases	1,721,444	1,094,055	**2,815,499**
Dormant investment	446,834	-	**446,834**
Derivative financial instruments	207,585	-	**207,585**
Factoring	-	263,274	**263,274**
Deferred liabilities for outstanding invoices	-	177,486	**177,486**
Miscellaneous	-	78,201	**78,201**
Group, total	**2,375,863**	**1,613,016**	**3,988,879**

Financial liabilities EUR	**Non-current**	**Current**	**Balance on 01.01.2013**
Finance leases	1,920,610	1,987,346	**3,907,956**
Dormant investment	779,969	50,000	**829,969**
Derivative financial instruments	260,274	-	**260,274**
Deferred liabilities for outstanding invoices	-	84,000	**84,000**
Miscellaneous	-	88,553	**88,553**
Group, total	**2,960,853**	**2,209,899**	**5,170,752**

The lease liabilities arise from property, plant and equipment capitalised by way of a finance lease. These primarily concern leases to finance production plants at the Kölleda and Würzburg sites, and the UK subsidiary's container fleet assets, which are financed chiefly through sale-and-finance-leaseback transactions. The leased assets are reported under non-current assets. The increase in the current portion of finance leases in 2014 is due to the fact that an equity covenant imposed by the lessor on the UK subsidiary was not reached as of the reporting date. This could have resulted in the calling in of EUR 3,948,479 of lease liabilities. Taking an early repayment penalty into account, a maximum payment obligation of EUR 4,214,886 would have arisen as of the reporting date – subject to any attribution of the leased assets' market values. As the covenant was complied with again from the end of March 2015, however, the risk of a call-in has ceased. The table below presents the lease payments due in the future, with their present values.

EUR			31.12.2014
	Future minimum lease payments	Interest	Present value (finance lease liabilities)
up to one year	5,833,521	566,778	5,266,743
longer than one year and up to five years	1,054,656	69,367	985,289
longer than five years	-	-	-
Total minimum lease payments	**6,888,177**	**636,145**	**6,252,032**

EUR			31.12.2013
	Future minimum lease payments	Interest	Present value (finance lease liabilities)
up to one year	1,263,677	169,622	1,094,055
longer than one year and up to five years	1,843,927	122,483	1,721,444
longer than five years	-	-	-
Total minimum lease payments	**3,107,604**	**292,105**	**2,815,499**

EUR			01.01.2013
	Future minimum lease payments	Interest	Present value (finance lease liabilities)
up to one year	2,139,753	152,407	1,987,346
longer than one year and up to five years	2,077,006	156,396	1,920,610
longer than five years	-	-	-
Total minimum lease payments	**4,216,759**	**308,803**	**3,907,956**

The derivative financial instruments item includes the negative fair values of interest-rate swaps to hedge variable interest non-current bank borrowings of EUR 76,959 (31 December 2013: EUR 86,221; 1 January 2013: EUR 152,394), and the negative market value of EUR 282,750 (31 December 2013: EUR 121,365; 1 January 2013: EUR 107,880) of a special termination right of a dormant investor, which is embedded within a dormant investment, which generally carries a term until 31 March 2018, and which requires separation. The special termination right exists in the case of an IPO of va-Q-tec AG.

The customer bonuses in 2014 represent volume bonuses.

4.2.2.5 Other non-current and current non-financial liabilities

Non-financial liabilities EUR	**Non-current**	**Current**	**Balance on 31.12.2014**
Special item for grants	3,934,609	395,017	**4,329,626**
Special item for deferred container profits	1,733,673	504,869	**2,238,542**
Employee bonuses	-	273,535	**273,535**
Liabilities from other taxes	-	126,580	**126,580**
Deferred liabilities for unutilised vacation	-	92,231	**92,231**
Prepayments received for orders	-	47,848	**47,848**
Miscellaneous other non-financial liabilities	-	156,463	**156,463**
Other personnel liabilities	-	*116,766*	*116,766*
Miscellaneous	-	*39,697*	*39,697*
Group, total	**5,668,282**	**1,596,543**	**7,264,825**

Non-financial liabilities EUR	**Non-current**	**Current**	**Balance on 31.12.2013**
Special item for grants	3,836,489	358,700	**4,195,189**
Special item for deferred container profits	416,311	123,017	**539,328**
Employee bonuses	-	40,000	**40,000**
Liabilities from other taxes	-	99,836	**99,836**
Deferred liabilities for unutilised vacation	-	63,000	**63,000**
Prepayments received for orders	-	588,911	**588,911**
Miscellaneous other non-financial liabilities	-	145,178	**145,178**
Other personnel liabilities	-	*100,152*	*100,152*
Miscellaneous	-	*45,026*	*45,026*
Group, total	**4,252,800**	**1,418,642**	**5,671,442**

Non-financial liabilities EUR	**Non-current**	**Current**	**Balance on 01.01.2013**
Special item for grants	3,864,802	300,394	**4,165,196**
Special item for deferred container profits	80,373	29,227	**109,600**
Employee bonuses	-	40,000	**40,000**
Liabilities from other taxes	-	53,162	**53,162**
Deferred liabilities for unutilised vacation	-	62,500	**62,500**
Prepayments received for orders	-	217,318	**217,318**
Miscellaneous other non-financial liabilities	-	196,340	**196,340**
Other personnel liabilities	-	*91,400*	*91,400*
Miscellaneous	-	*104,940*	*104,940*
Group, total	**3,945,175**	**898,941**	**4,844,116**

Government grants

Similar to previous years, the company received further grants from the federal state of Thuringia and from the European Union in 2013 and 2014, as well as investment allowances, resulting from the continuous expansion of its production site in Kölleda, Thuringia. These grants and allowances serve mainly the new construction of further production halls, and the expansion of the vacuum insulation panel production plants at the site. These grants do not need to be repaid as long as the conditions are complied with, as it is currently expected. In the first subsidy period from 2008 to 2011, the subsidies were granted in order to establish the site. In the subsequent 2011 – 2015 subsidy period, they were granted in order to expand it.

Special item for grants EUR	**2014**	**2013**
Balance at 1 January	4,195,189	4,165,196
Addition	527,625	357,369
Release	358,700	300,394
Neutral release	34,488	26,982
Balance at 31 December	**4,329,626**	**4,195,189**
- of which non-current	3,934,609	3,836,489
- of which current	395,017	358,700

Deferred income from sale-and-finance-leaseback transactions

In 2014, containers worth EUR 4,479,468 (previous year: EUR 1,154,210), employed as part of the container fleet, were sold via sale-and-finance-leaseback transactions. The increase in lease financing is attributable to strong growth of the container service business. Profit margins in excess of manufacturing costs arising from the sale of containers were recognised under liabilities as deferred income (special item for deferred container profits). This deferred income will be released to other operating income over the containers' respective five-year useful life.

4.2.2.6 Trade payables

Trade payables are recognised at amortised cost. Their recognised values essentially correspond to their market values; they are due within one year.

4.3 Consolidated statement of cash flows

The cash flow statement shows how the cash position has changed at va-Q-tec over the course of the reporting year due to cash inflows and outflows. Pursuant to IAS 7 (Statement of Cash Flows), a distinction is drawn between cash flows from operating, investing and financing activities. The change in liquid assets due to changes in exchange rates is presented separately.

The cash and cash equivalents in the cash flow statement comprise all cash positions reported on the statement of financial position, as well as cash accounts and short-term deposits at banks that have a remaining term of up to three months on addition, are subject to only minor value fluctuations, and whose availability is not restricted.

The cash inflows and outflows from investing and financing activities are presented in accordance with the direct method. Besides additions to intangible assets, inflows and cash outflows from investing activities relating to current business operations also include disposals and additions to property, plant and equipment. Besides cash inflows from equity increases and the drawdowns from bank borrowings, cash flows from financing activities also include cash outflows for the repayment of financial liabilities, as well as cash outflows due to finance leasing. Cash inflows from sale-and-finance-leaseback transactions as well as investment allowances and grants received are shown within separate items within cash flows from financing activities.

By contrast, cash inflows and cash outflows from operating activities are derived indirectly, starting from the consolidated net profit. To this end, the consolidated net profit is adjusted to reflect non-cash expenses and income, primarily depreciation, amortisation, impairment losses, deferred tax, the release of special items, the measurement of financial instruments, and changes in provisions. These adjustments are supplemented by changes in other assets and liabilities, as well as working capital.

Investing and financing processes that have not resulted in a change in cash and cash equivalents are not reflected in the cash flow statement.

4.4 Financial instruments

The following table presents financial instruments with their carrying amounts and fair values, analysed by IAS 39 and IAS 17 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 "Basis of preparation of the financial statements" provides a definition of the fair value hierarchy levels. All allocations to levels are reviewed at the end of the reporting period. No reclassifications between levels occurred in either the reporting year or the previous year.

Values by measurement categories 2014 EUR	**Measurement category as per IAS 39 / IAS 17**	**Carrying amount** **31.12.2014**	**Fair value** **31.12.2014**	**of which: fair value** **Level 1**	 **Level 2**	 **Level 3**
Financial assets						
Trade receivables	LaR	3,393,928	3,393,928			
Other financial assets						
of which: derivative financial instruments	FVtPL	16,900	16,900		16,900	
of which: miscellaneous financial assets	LaR	75,189	75,189			
Cash and cash equivalents	LaR	1,243,708	1,243,708			
Total		**4,729,725**	**4,729,725**			
Financial liabilities						
Bank borrowings	FLAC	5,260,382	5,273,697		5,273,697	
Trade payables	FLAC	2,219,384	2,219,384			
Other financial liabilities						
of which: finance lease liabilities	IAS 17	6,252,032	6,280,304		6,280,304	
of which: derivative financial instruments	FVtPL	359,709	359,709		76,959	282,750
of which: dormant investment	FLAC	466,109	499,428		499,428	
of which: miscellaneous other financial liabilities	FLAC	881,221	881,221			
Total		**15,438,837**	**15,513,744**			

Of which aggregated by measurement category as per IAS 39		**Carrying amount**	**Fair value**	
Loans and Receivables	LaR	4,712,825	4,712,825	
At fair value through P&L (asset)	FVtPL	16,900	16,900	
Financial liabilities measured at amortised cost	FLAC	8,827,096	8,873,731	
At fair value through P&L (liability)	FVtPL	359,709	359,709	

Values by measurement categories 2013 EUR	**Measurement category as per IAS 39 / IAS 17**	**Carrying amount** **31.12.2013**	**Fair value** **31.12.2013**	**of which: fair value** **Level 1**	 **Level 2**	 **Level 3**
Financial assets						
Trade receivables	LaR	2,279,469	2,279,469			
Other financial assets						
of which: derivative financial instruments	FVtPL	5,904	5,904		5,904	
of which: miscellaneous financial assets	LaR	70,824	70,824			
Cash and cash equivalents	LaR	1,334,176	1,334,176			
Total		**3,690,373**	**3,690,373**			
Financial liabilities						
Bank borrowings	FLAC	3,675,870	3,696,343		3,696,343	
Trade payables	FLAC	902,084	902,084			
Other financial liabilities						
of which: finance lease liabilities	IAS 17	2,815,499	2,847,526		2,847,526	
of which: derivative financial instruments	FVtPL	207,585	207,585		86,220	121,365
of which: dormant investment	FLAC	446,834	499,113		499,113	
of which: miscellaneous other financial liabilities	FLAC	518,961	518,961			
Total		**8,566,833**	**8,671,612**			

Of which aggregated by measurement category as per IAS 39		**Carrying amount**	**Fair value**	
Loans and Receivables	LaR	3,684,469	3,684,469	
At fair value through P&L (asset)	FVtPL	5,904	5,904	
Financial liabilities measured at amortised cost	FLAC	5,543,749	5,616,501	
At fair value through P&L (liability)	FVtPL	207,585	207,585	

Values by measurement categories 2012 EUR	Measurement category as per IAS 39 / IAS 17	Carrying amount 31.12.2012	Fair value 31.12.2012	of which: fair value Level 1	 Level 2	 Level 3
Financial assets						
Trade receivables	LaR	1,332,625	1,332,625			
Other financial assets						
of which: derivative financial instruments	FVtPL	-	-			
of which: miscellaneous financial assets	LaR	165,326	165,326			
Cash and cash equivalents	LaR	2,732,845	2,732,845			
Total		**4,230,796**	**4,230,796**			
Financial liabilities						
Bank borrowings	FLAC	3,239,704	3,275,323		3,275,323	
Trade payables	FLAC	664,054	664,054			
Other financial liabilities						
of which: finance lease liabilities	IAS 17	3,907,956	3,913,222		3,913,222	
of which: derivative financial instruments	FVtPL	260,274	260,274		152,394	107,880
of which: dormant investment	FLAC	779,969	848,823		848,823	
of which: miscellaneous other financial liabilities	FLAC	222,553	222,553			
Total		**9,074,510**	**9,184,249**			

Of which aggregated by measurement category as per IAS 39		Carrying amount	Fair value	
Loans and Receivables	LaR	4,230,796	4,230,796	
At fair value through P&L (asset)	FVtPL	-	-	
Financial liabilities measured at amortised cost	FLAC	4,906,280	5,010,752	
At fair value through P&L (liability)	FVtPL	260,274	260,274	

The fair value of Level 2 interest-bearing bank borrowings, finance lease liabilities, and liabilities from dormant investments, is derived as the present value of the expected future cash flows. Discounting is applied on the basis of interest rates prevailing on the reporting date. In the case of variable interest liabilities, the carrying amounts generally correspond to fair values.

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. To measure the currency options, recognised option pricing models are utilised that reflect the volatility of the respective exchange rate and the underlying basis interest rates, among other inputs.

The Level 3 derivative financial instrument relates to an dormant investor's special termination right that is embedded in its dormant investment. This special termination right (which, if exercised, could result in an obligation to make an additional payment) exists for any IPO of va-Q-tec AG. This option's fair value is calculated in each case on the reporting date on the basis of a valuation model. Key measurement parameters include estimates about the event probability of an IPO, the duration of the dormant investment until any IPO, and the expected market capitalisation of va-Q-tec AG capped at a maximum amount at such a date. These estimates are made by management in each case based on the information available on the reporting date. As of 31 December 2014, the imputed probability of an IPO was gauged at 50% (previous year: 45%), and the stock market value of the company was imputed at EUR 65,000,000 (previous year: EUR 31,000,000). As in the previous year, the imputed date for a potential IPO was set at 30

June 2016. Given any IPO, the special termination right might result in a financial obligation of between EUR 500,000 and EUR 870,000.

The following reconciliation shows this financial instrument's fair value changes.

Reconciliation: Level 3 financial instruments	
Balance on 31.12.2012	**-107,880**
Change through P&L	-13,485
Balance on 31.12.2013	**-121,365**
Change through P&L	-161,385
Balance on 31.12.2014	**-282,750**

The fair value changes for this option that are recognised in profit or loss are reported in the consolidated income statement under the "financial expenses" item.

Net result from financial instruments

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

EUR			**2014 net results from**			
Measurement category as per IAS 39 / IAS 17	Interest income	Interest expense	Impairment losses	Reversals of impairment losses	Subsequent fair value measurement	Currency translation
LaR	999	-	-	5,171	-	-4,925
FVtPL	-	-	-	-	-141,127	-
FLAC	-	-338,590	-	-	-	45,715
IAS 17	-	-244,467	-	-	-	-
Total	**999**	**-583,057**	**-**	**5,171**	**-141,127**	**40,790**

EUR			**2013 net results from**			
Measurement category as per IAS 39 / IAS 17	Interest income	Interest expense	Impairment losses	Reversals of impairment losses	Subsequent fair value measurement	Currency translation
LaR	5,091	-	-5,171	1,340	-	-17,153
FVtPL	-	-	-	-	48,722	-
FLAC	-	-314,643	-	-	-	-11,611
IAS 17	-	-156,063	-	-	-	-
Total	**5,091**	**-470,706**	**-5,171**	**1,340**	**48,722**	**-28,764**

4.5 Risk management

As a company that operates internationally, va-Q-tec is exposed to credit, liquidity, and market risks during the course of its ordinary business activities. Market risks particularly result from changes to exchange rates and interest rates. Financial risk management measures are designed to manage and limit these market risks within the scope of operating and financial activities. Depending on the risk assessment, derivative hedging instruments are deployed, although generally only cash flow risks are hedged. Derivative financial instruments are used for operational hedging purposes, and are consequently not held for trading. Hedge accounting according to IAS 39 is not applied in this context. To reduce default risk, hedging transactions are entered into only with financial institutions with excellent credit ratings. The basic principles of the financial policy are regularly controlled by the Management Board and monitored by the Supervisory Board.

Credit risks

Credit risk is the risk that business partners will not be able to meet their contractual obligations, and that the va-Q-tec Group will incur a financial loss as a consequence. In the course of its operating activities, the Group is exposed to default risk, especially in the case of trade receivables, as well as risks as part of its financing activities, including its derivative financial instruments. The credit risk from trade receivables is managed at the company level (i.e. locally), and monitored constantly. Identifiable default risks applying to financial assets are reflected through impairment losses.

The maximum credit risk of the financial assets (including derivatives with positive market values) corresponds to the carrying amount recognised on the statement of financial position. The maximum credit risk stood at EUR 3,486,017 as of the 31 December 2014 reporting date (31 December 2013: EUR 2,356,199; 1 January 2013: EUR 1,497,951).

The age structure of trade receivables to which no individual valuation allowances have been applied is displayed in the following table:

Trade receivables	**31.12.2014**	**31.12.2013**	**01.01.2013**
EUR			
Not overdue	2,864,880	1,853,610	964,595
Less than 30 days	390,831	285,497	186,889
30-90 days	76,081	132,435	52,354
91-360 days	53,683	3,012	119,299
More than 360 days	3,538	-	-
Unimpaired receivables	**3,389,013**	**2,274,554**	**1,323,137**
Carrying amount of impaired receivables	**4,915**	**4,915**	**9,488**
Total	**3,393,928**	**2,279,469**	**1,332,625**

Unimpaired trade receivables showed no indications of requiring the application of an impairment loss. The recoverability of receivables that are neither overdue nor impaired is regarded as very high. This assessment is due, above all, to the long-standing business relationships with most buyers, and our customers' credit ratings. The other financial assets are neither overdue nor impaired.

Due to the relatively high concentration of sales revenue on a few major customers, the sales function focuses to a great extent on acquiring new customers in all market areas addressed by va-Q-tec.

Liquidity risks

Liquidity risk i.e. the risk that va-Q-tec is unable to meet its financial obligations, is limited through the creation of the requisite financial flexibility, and through an effective cash management system. To manage the future liquidity position, va-Q-tec employs corresponding liquidity planning instruments. No liquidity bottlenecks were identifiable as of the reporting date. Unutilised overdraft lines existed were available to a sufficient extent.

Specific liquidity risks for the Group arise from the relatively high proportion of individual major customers with whom no long-term contracts exist, and such customers' theoretical default risks or risks of departure, as well as from potential repayment obligations to banks given non-compliance with covenants, and in relation to subsidy institutions given non-compliance with subsidy terms. The management steers these potential liquidity risks through targeted commercial, financial and organisational measures.

The following lists show the contractually agreed, undiscounted interest and principal payments for the non-derivative and derivative financial liabilities as per IFRS 7. If the maturity date is not fixed, the liability is related to the earliest due date. Interest payments with variable interest yield are taken into account according to the terms applicable as of the reporting date. We mainly assume that the cash outflows will not occur earlier than shown.

The following table includes the repayment amount (including assumed future interest payments to be rendered) at the respective stated maturity date:

2014 **Repayment amounts on respective due date**		**Other financial liabilities**				
EUR	**Bank borrowings**	**Finance lease liabilities**	**Derivative financial instruments**	**Miscellaneous other financial liabilities**	**Trade payables**	**Total**
2015	3,617,265	5,836,141	35,013	920,721	2,219,384	**12,628,524**
2016	782,683	658,959	302,046	519,750	-	**2,263,437**
2017	340,565	224,615	10,891	-	-	**576,071**
2018	332,485	168,462	6,750	-	-	**507,697**
2019	243,374	-	2,778	-	-	**246,152**
2020 and after	114,194	-	439	-	-	**114,633**
Total 31.12.2014	**5,430,566**	**6,888,177**	**357,917**	**1,440,471**	**2,219,384**	**16,336,514**

2013 **Repayment amounts on respective due date**		**Other financial liabilities**				
EUR	**Bank borrowings**	**Finance lease liabilities**	**Derivative financial instruments**	**Miscellaneous other financial liabilities**	**Trade payables**	**Total**
2014	1,653,551	1,263,676	47,707	558,461	902,084	**4,425,479**
2015	767,203	1,072,493	30,374	39,500	-	**1,909,570**
2016	676,538	749,599	137,355	519,750	-	**2,083,242**
2017	236,463	11,542	8,693	-	-	**256,698**
2018	230,558	10,294	5,527	-	-	**246,379**
2019	224,615	-	2,363	-	-	**226,978**
2020 and after	105,491	-	391	-	-	**105,882**
Total 31.12.2013	**3,894,419**	**3,107,604**	**232,410**	**1,117,711**	**902,084**	**9,254,228**

2012 **Repayment amounts on respective due date**		**Other financial liabilities**				
EUR	**Bank borrowings**	**Finance lease liabilities**	**Derivative financial instruments**	**Miscellaneous other financial liabilities**	**Trade payables**	**Total**
2013	795,865	2,139,753	62,671	443,653	664,054	**4,105,996**
2014	778,329	915,269	45,572	155,300	-	**1,894,470**
2015	761,075	723,264	28,466	147,400	-	**1,660,205**
2016	671,891	438,473	122,217	571,725	-	**1,804,306**
2017	232,989	-	7,362	-	-	**240,351**
2018	228,124	-	4,558	-	-	**232,682**
2019	222,998	-	1,756	-	-	**224,754**
2020 and after	103,970	-	178	-		**104,148**
Total 31.12.2012	**3,795,241**	**4,216,759**	**272,780**	**1,318,078**	**664,054**	**10,266,912**

Collateral in the form of land charges on land and buildings at the Kölleda site exists for va-Q-tec loans and bank overdrafts utilised as of the reporting date. Collateral assignments of machinery and fixtures also exist at the same location. Production plants at the Kölleda and Würzburg locations are assigned as collateral for finance leases. Finally, the UK subsidiary's containers, which are leased as part of the container fleet, are assigned as collateral for finance leases. Due to non-compliance with the covenant as of the 2014 reporting date, originally non-current lease liabilities of EUR 3,948,479 were recognised as current.

Currency risks

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. va-Q-tec is exposed to it primarily from its operating activities (if revenues and/or expenses are quoted in a currency different from the functional currency of the Group company in question). va-Q-tec secures selected exchange rate risks arising from purchasing relationships with forward currency transactions denominated in Korean won. The hedging of value fluctuations of future cash flows from expected transactions involves planned costs denominated in foreign currency. Differences caused by exchange rates when financial statements are translated into the Group currency are not taken into account.

For the disclosure of market risks, IFRS 7 requires sensitivity analyses that show how changes to relevant risk variables (e.g. exchange rates, interest rates) might affect earnings and equity. To gauge periodic effects, a potential change in the risk variables is applied to the financial instruments position on the reporting date. This approach assumes that this year-end position is a representative for the financial year concerned.

The following sensitivity analysis is based on the USD and the GBP as the significant foreign currencies for the va-Q-tec Group. The analysis is based on the status as of 31 December 2014 and 2013 respectively of the positions of receivables, liquid assets and liabilities denominated in USD and GBP. Effects on consolidated results and equity were calculated that are derived from the simulated USD and GBP exchange rates as of the reporting date.

The following currency scenarios are derived: If the value of the USD had been 10% higher against the EUR as of the reporting date, consolidated profit/loss would have been EUR 37,433 higher (previous year: EUR 3,489 lower), and consolidated equity would have been EUR 37,433 higher (previous year: EUR 3,489 lower). If the value of the USD had been 10% lower against the EUR as of the reporting date, consolidated profit/loss would have been EUR 37,433 lower (previous year: EUR 3,489 higher), and consolidated equity would have been EUR 37,433 lower (previous year: EUR 3,489 higher). If the value of the GBP had been 10% higher against the EUR as of the reporting date, consolidated profit/loss would have been EUR 109,220 (previous year: EUR 8,111) higher, and consolidated equity would have been EUR 109,220 (previous year: EUR 8,111) higher. If the value of the GBP had been 10% lower against the EUR as of the reporting date, consolidated profit/loss would have been EUR 109,220 (previous year: EUR 8,111) lower, and consolidated equity would have been EUR 109,220 (previous year: EUR 8,111) lower.

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The risk of fluctuations in market interest rates to which the Group is exposed results primarily from variable rate loans and overdrafts. The Group manages its interest rate risk in relation to financial liabilities through employing interest rate derivatives in the form of interest rate swaps for long-term loans, whereby no hedge accounting is applied.

Interest rate risks according to IFRS 7 are calculated by means of sensitivity analysis. The following sensitivity analysis includes both the effects on the net interest result due to variable interest financial instruments existing on the respective reporting date, and the value changes of the interest rate swaps that have been concluded. The effects of variable market interest rates on consolidated results in equity were calculated.

If the market interest rate level as of the reporting date had been 100 basis points higher, the consolidated profit/loss would have been EUR 6,757 lower (previous year: EUR 18,453 higher), and consolidated equity would have been EUR 6,757 lower (previous year: EUR 18,453 higher). If the market interest rate level as of the reporting date had been 100 basis points lower, the consolidated profit/loss would have been EUR 5,338 higher (previous year: EUR 18,568 lower), and consolidated equity would have been EUR 5,338 higher (previous year: EUR 18,568 lower).

Capital management

The primary objective of capital management at va-Q-tec is the continuous and long-term enhancement and growth of the company's value, and the securing of its liquidity. A high credit rating and a good equity ratio represent important building blocks to this end. The Group manages its capital structure and implements adjustments while taking changes in economic conditions into account.

va-Q-tec regularly monitors its capital on the basis of various key figures. The equity ratio represents an important key indicator in this context. The Management Board has set a 25% minimum equity ratio as a short-term target for the Group, and a 35% minimum equity ratio as its medium-term target.

The consolidated equity ratio has fallen to 31.2% due to the higher level of debt and the slight reduction in equity (31 December 2013: 43.3%; 1 January 2012: 43.3%). As a consequence, this key indicator still lies above the set target.

In the 2014 financial year, financial liabilities of the parent company va-Q-tec AG amounting EUR 4,671,166 (previous year: EUR 2,866,762) were subject to financial covenants relating to the separate financial statements of va-Q-tec AG, which are compiled according to the reporting standards of the German Commercial Code (HGB). The covenants require gearing for the parent company of less than 3.5x EBITDAR and an equity ratio of at least 40%. These covenants were met for the parent company.

Since the 2014 financial year, financial liabilities of va-Q-tec Ltd. (UK) from finance leases of EUR 3,948,479 have been subject to a covenant based on the separate financial statements of va-Q-tec Ltd. (UK). This covenant requires equity as recognised on the balance sheet of at least EUR 2,500,000 from 31 December 2014. This covenant was not met as of the reporting date, although it was rectified again as the result of an equity capital increase at the end of March 2015. This temporary lack of compliance resulted in no negative consequences for the company in the meaning of a breach of covenant.

5 Other disclosures

5.1 Segment information

Pursuant to IFRS 8, the va-Q-tec Group is not required to published segment reporting. Disclosures are made voluntarily, and comply in full with the requirements of IFRS 8.

For the purpose of segment reporting, the activities of the va-Q-tec Group are separated by operating segments on the basis of 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 operating segments of "va-Q-tec AG", "va-Q-tec Ltd. (UK)" and "Other".

va-Q-tec AG develops and produces innovative and energy-efficient vacuum insulation panels (VIPs). Besides VIPs, va-Q-tec AG develops and sells products such as air freight containers, thermal packaging, and heat storage components (Phase Change Material/PCM), and also provides expert thermal consulting. The company also offers customised development solutions in the thermal insulation area.

The activities of va-Q-tec Ltd. (UK) comprise the rental of air freight containers. To this end, va-Q-tec Ltd (UK) maintains a growing fleet of rental containers for globally operating pharmaceuticals and logistics companies. These air freight containers are manufactured by va-Q-tec AG. In addition, va-Q-tec Ltd. (UK) realises sales of products.

The "Other" area encompasses the activities of the subsidiaries va-Q-tec Ltd. (Korea) and va-Q-tec Inc. (USA). The Korean subsidiary renders purchasing services, while the US subsidiary provides sales services for the Group.

The three operating segments' activities are unchanged compared with the previous year.

The reporting of va-Q-tec occurs on the basis of the respective local accounting principles. To ensure comparability with these IFRS consolidated financial statements, a reconciliation between internal reporting and IFRS has been performed for each operating segment. Insofar they are material, the supply and service relationships between the operating segments are reported on a consolidated basis.

Segment reporting FY 2014

va-Q-tec Group
EUR

	va-Q-tec AG			va-Q-tec Ltd. (UK)		
	Local GAAP	Reconciliation	IFRS	Local GAAP	Reconciliation	IFRS
External revenue	19,189,039	-	19,189,039	3,627,619	-	3,627,619
Internal revenue	1,130,158	-	1,130,158	-	-	-
Total sales revenue	**20,319,197**	**-**	**20,319,197**	**3,627,619**	**-**	**3,627,619**
Total operating revenue	21,379,415	92,174	21,471,589	3,627,619	-	3,627,619
Cost of materials and services	- 8,662,284	- 2,080	- 8,664,364	- 1,550,611	- 74,035	- 1,624,646
Personnel expenses	- 6,825,289	-	- 6,825,289	- 416,497	-	- 416,497
Other operating expenses	- 3,275,128	26,642	- 3,248,486	- 620,499	- 25,293	- 645,792
EBITDA	**2,616,714**	**116,736**	**2,733,450**	**1,040,012**	**- 99,328**	**940,684**
Depreciation, amortisation and impairment losses	- 1,241,052	- 8,230	- 1,249,282	- 632,724	8,712	- 624,012
EBIT	**1,375,662**	**108,506**	**1,484,168**	**407,288**	**- 90,616**	**316,672**
Financial income	120,391	31,249	151,641	-	-	-
Financial expenses	- 393,651	- 197,376	- 591,027	- 277,313	3,146	- 274,167
EBT	**1,102,402**	**- 57,621**	**1,044,782**	**129,975**	**- 87,470**	**42,505**
FY 2014 investments	2,443,871	-	2,443,871	4,865,970	-	4,865,970
Assets 31.12.2014	28,959,054	607,213	29,566,267	7,862,798	228,002	8,090,800
Non-current assets 31.12.2014	16,072,609	35,113	16,107,722	5,890,238	- 80,797	5,809,441
Liabilities 31.12.2014	14,311,680	2,146,146	16,457,826	5,856,562	30,233	5,886,795
FY 2014 employees	179	-	179	7	-	7

Segment reporting FY 2013

va-Q-tec Group
EUR

	va-Q-tec AG			va-Q-tec Ltd. (UK)		
	Local GAAP	Reconciliation	IFRS	Local GAAP	Reconciliation	IFRS
External revenue	16,258,927	-	16,258,927	919,691	-	919,691
Internal revenue	276,411	-	276,411	-	-	-
Total sales revenue	**16,535,338**	**-**	**16,535,338**	**919,691**	**-**	**919,691**
Total operating revenue	17,405,976	121,771	17,527,747	919,691	-	919,691
Cost of materials and services	- 7,193,431	37,824	- 7,155,607	- 284,685	15,329	- 269,356
Personnel expenses	- 5,550,629	-	- 5,550,629	- 269,836	-	- 269,836
Other operating expenses	- 2,693,295	16,961	- 2,676,334	- 300,740	- 20,691	- 321,431
EBITDA	**1,968,621**	**176,556**	**2,145,177**	**64,430**	**- 5,362**	**59,068**
Depreciation, amortisation and impairment losses	- 1,235,627	- 8,230	- 1,243,857	- 159,765	-	- 159,765
EBIT	**732,994**	**168,326**	**901,320**	**- 95,335**	**- 5,362**	**- 100,697**
Financial income	80,245	66,173	146,418	-	-	-
Financial expenses	- 431,334	- 38,606	- 469,940	- 87,369	- 4,257	- 91,626
EBT	**381,905**	**195,893**	**577,798**	**- 182,704**	**- 9,619**	**- 192,323**
FY 2013 investments	1,689,231	-	1,689,231	1,329,946	-	1,329,946
Assets 31.12.2013	24,573,866	562,669	25,136,535	2,058,003	205,655	2,263,658
Non-current assets 31.12.2013	14,692,877	20,575	14,713,452	1,582,958	- 15,475	1,567,483
Liabilities 31.12.2013	10,708,697	2,100,052	12,808,749	2,962,754	3,197	2,965,951
FY 2013 employees	167	-	167	5		5

Segment reporting FY 2014

va-Q-tec Group

EUR

	Other			Operating divisions, total	Consolidation	Group
	Local GAAP	Reconciliation	IFRS			
External revenue	1,003	-	1,003	22,817,661	- 4,479,468	18,338,193
Internal revenue	143,462	-	143,462	1,273,620	- 1,273,620	-
Total sales revenue	**144,465**	**-**	**144,465**	**24,091,281**	**- 5,753,088**	**18,338,193**
Total operating revenue	229,817	- 31	229,786	25,328,994	- 3,083,909	22,245,085
Cost of materials and services	- 2,571	-	- 2,571	- 10,291,581	804,963	- 9,486,618
Personnel expenses	- 219,670	-	- 219,670	- 7,461,455	-	- 7,461,456
Other operating expenses	- 177,617	- 500	- 178,117	- 4,072,395	445,162	- 3,627,233
EBITDA	**- 170,041**	**- 531**	**- 170,572**	**3,503,563**	**- 1,833,785**	**1,669,778**
Depreciation, amortisation and impairment losses	- 1,513	-	- 1,513	- 1,874,807	42,596	- 1,832,211
EBIT	**- 171,554**	**- 531**	**- 172,085**	**1,628,756**	**- 1,791,189**	**- 162,433**
Financial income	188	-	188	151,829	- 130,572	21,257
Financial expenses	- 7,751	- 1,014	- 8,765	- 873,959	129,517	- 744,442
EBT	**- 179,117**	**- 1,545**	**- 180,662**	**906,625**	**- 1,792,243**	**- 885,618**
FY 2014 investments	2,326	-	2,326	7,312,167	- 150,373	7,161,794
Assets 31.12.2014	345,157	6,729	351,886	38,008,953	- 4,827,896	33,181,057
Non-current assets 31.12.2014	4,481	- 181	4,300	21,921,462	- 150,268	21,771,195
Liabilities 31.12.2014	443,873	1,598	445,471	22,790,092	32,405	22,822,497
FY 2014 employees	4	-	4	190	-	190

Segment reporting FY 2013

va-Q-tec Group

EUR

	Other			Operating divisions, total	Consolidation	Group
	Local GAAP	Reconciliation	IFRS			
External revenue	6,007	-	6,007	17,184,625	- 1,154,210	16,030,415
Internal revenue	4,012	-	4,012	280,423	- 280,423	-
Total sales revenue	**10,019**	**-**	**10,019**	**17,465,048**	**- 1,434,633**	**16,030,415**
Total operating revenue	8,917	1,129	10,046	18,457,484	- 711,859	17,745,625
Cost of materials and services	- 6,767	4,416	- 2,351	- 7,427,314	167,595	- 7,259,719
Personnel expenses	- 67,029	-	- 67,029	- 5,887,494	-	- 5,887,494
Other operating expenses	- 37,896	984	- 36,912	- 3,034,678	52,726	- 2,981,951
EBITDA	**- 102,775**	**6,529**	**- 96,246**	**2,107,999**	**- 491,538**	**1,616,461**
Depreciation, amortisation and impairment losses	- 1,729	-	- 1,729	- 1,405,351	4,007	- 1,401,344
EBIT	**- 104,504**	**6,529**	**- 97,975**	**702,648**	**- 487,531**	**215,117**
Financial income	726	-	726	147,144	- 75,879	71,265
Financial expenses	- 959	-	- 959	- 562,525	74,368	- 488,157
EBT	**- 104,737**	**6,529**	**- 98,208**	**287,267**	**- 489,042**	**- 201,775**
FY 2013 investments	1,008	-	1,008	3,020,185	- 40,785	2,979,400
Assets 31.12.2013	33,439	5,449	38,888	27,439,081	- 2,074,217	25,364,865
Non-current assets 31.12.2013	3,422	878	4,300	16,285,235	- 45,534	16,241,701
Liabilities 31.12.2013	60,017	-	60,017	15,834,717	- 1,457,932	14,376,785
FY 2013 employees	2		2	174	-	174

Starting from the total sum of the operating segments, intragroup transactions are eliminated in the "Consolidation" column, particularly taking into account effects from the sale-and-finance-leaseback transactions.

In the 2014 financial year, four customers existed at va-Q-tec AG and partly at va-Q-tec UK Ltd. that in each case accounted for more than 10% of total consolidated revenue. Sales revenues of EUR 5,427,375, EUR 2,759,314, EUR 2,043,732 and EUR 1,991,331 were generated with these customers. In the 2013 financial year, va-Q-tec AG had two customers whose share of revenue accounted for more than 10% of total consolidated revenue. The corresponding sales revenues amounted to EUR 5,115,649 and EUR 4,073,955.

The revenues are distributed geographically as follows:

EUR	2014	2013
Germany	8,157,836	7,574,029
Other EU countries	4,917,205	3,982,869
Other	5,263,152	4,473,517
Group, total	**18,338,193**	**16,030,415**

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: Sales revenues of EUR 6,428,549 (previous year: EUR 7,940,435) were generated with products (vacuum insulation panels and individually sold heat storage components) in the financial year under review. The Group generated EUR 8,019,431 of sales revenue with systems (thermal packaging and related components) in the reporting year (previous year: EUR 6,196,354). Sales revenues of EUR 3,058,479 were generated from services in the financial year under review (previous year: EUR 1,144,975). Other sales revenues amounted to EUR 831,734 in the financial year (previous year: EUR 748,651).

5.2 Contingencies and other financial obligations

No liabilities arising from guarantees or similar obligations exist as of the reporting date.

Other financial obligations exist that derive mainly from operating leases for IT equipment and company vehicles, as well as from rental obligations for buildings.

The due dates of minimum lease payments from irrevocable operating leases and rental agreements are as follows:

Other financial obligations (contingent liabilities) EUR	**31.12.2014**	**31.12.2013**	**01.01.2013**
Group, total	**409,087**	**447,604**	**645,629**
due within one year	333,179	305,346	368,710
due between one and five years	75,908	142,258	276,919
due after five years	-	-	-

Obligations from order commitments for property, plant and equipment in an amount of EUR 0 (31 December 2013: EUR 0; 1 January 2013: EUR 998,000) continue to exist as of the reporting date, and in an amount of EUR 315,000 as of 1 January 2013 arising from the conclusion of a land purchase agreement.

5.3 Share-based payment

In 2013, va-Q-tec set up a virtual option program with a total volume of up to 188,591 virtual options. These options have a regular accumulation period of four years. The accumulation period is congruent with the period spent by the beneficiary at the company. The company can reacquire the accumulated virtual options if the underlying employment contract lapses. In the case of an exit event (IPO or corporate disposal), the options are accelerated and accumulated fully, insofar as the exit event occurs at least one year after the option allocation. The exercise price is set on the respective grant date.

Settlement of the virtual options with equity instruments or cash occurs only if the exit proceeds per share lie above the basis price (exercise price) of the options. The company has the unilateral right to settle the virtual options either through equity instruments or cash. va-Q-tec recognises the virtual option program as equity-settled share-based payment, as the Management Board is of the opinion that a current obligation to settle in cash does not exist.

On 1 July 2013, initially 94,296 virtual options with a EUR 7.73 exercise price were allocated from the option program to only one key management member. The fair value on the grant date was calculated with a standard option valuation model (Black-Scholes). This entailed imputing a share price of EUR 1.44, a term of three years, a yield rate of 5.0%, a risk-free rate of 0.5% and a volatility of 25%. This volatility was assumed on the basis of the historical sales revenue and earnings trend, and the still early development stage of va-Q-tec. The calculation generated a fair value of EUR 0 per option. Accordingly, no expense was recognised over the accumulation period to date. Of the allocated virtual options, 35,361 were vested as of the reporting date (previous year: 11,787).

The Annual General Meeting of va-Q-tec AG has authorised the Supervisory Board to allocate to Management Board members additional options as part of the existing option program. Moreover, it has authorised the Management Board of va-Q-tec AG equally to grant options to the company's existing and future employees. No further options had been allocated by the end of 2014, as a consequence of which 94,295 virtual options had not yet been allocated as of the reporting date (previous year: 94,295 virtual options).

5.4 Related parties

IAS 24 requires the disclosure of the existence of related companies, and transactions with, and outstanding balances in relation to, related companies, if they are not already included as consolidated companies in the consolidated financial statements, as well as related individuals. va-Q-tec AG is the Group's ultimate parent entity.

As a matter of principle, key management personnel and their close family relatives are regarded as related individuals at the va-Q-tec Group. Key management personnel comprised the members of the Management and Supervisory Boards of va-Q-tec AG. Above and beyond this, both Management Board members Dr. Kuhn and Dr. Caps are related to the Group as a of result of being significant shareholders in va-Q-tec AG.

Related companies within the va-Q-tec Group are regarded as those companies over which va-Q-tec AG, the Management and Supervisory Board members and their close family relatives, can at least exercise significant influence, or which, for their part, can exert significant influence over va-Q-tec. As shareholder with a 33.2% (previous year: 33.2% interest), Cleantech Europe II S.à.r.L., Luxembourg, represents a related company with significant influence. As of the reporting date, no open receivables or payment obligations with related companies existed.

Key management personnel of the va-Q-tec Group

Management Board	
Dr. Joachim Kuhn	since 01.04.2001
Dr. Roland Caps	since 01.04.2001
Christopher Hoffmann	since 01.07.2013

Supervisory Board	
Dr. Gerald Hommel **Chairman**	since 27.06.2014
Uwe Lamann **Deputy Chairman**	since 27.06.2014
Dr. Barbara Ooms-Gnauck	since 27.06.2014
Dr. Alois Flatz	since 20.03.2013
Winfried Klar	since 20.03.2013
Dr. Eberhard Kroth	since 20.03.2013
Norbert Baier	until 27.06.2014
Andreas Belz	until 27.06.2014
Thorsten Scheck	until 27.06.2014
Christopher Hoffmann	until 20.03.2013

Total compensation of key management members of the va-Q-tec Group

Management Board compensation

EUR	2014	2013
Short-term employee benefits	474,585	360,559
Post-employment benefits;	20,400	720
Total Management Board compensation	**494,985**	**361,279**

Compensation totalling EUR 494,985 was paid to the Management Board in 2014 (previous year: EUR 361,279). This compensation consisted of salaries, performance-based annual bonuses, and pension contributions. Defined contribution pension commitments have existed for the Management Board members since 2014. To this end, EUR 20,400 (previous year: EUR 720) was paid into an external reinsured pension fund in the year under review. A total of 94,296 stock options were granted to one Management Board member on 1 July 2013.

As in the previous year, no advances or loans were extended to Management Board members in the year under review.

As of 31 December 2014, two Management Board members had personal guarantees amounting to EUR 612,786 outstanding to Thüringer Aufbaubank (31 December 2013: EUR 612,786). These guarantees were issued in 2008 and 2011 without consideration being granted in return by va-Q-tec AG.

Supervisory Board compensation

Compensation totalling EUR 85,405 was granted to the Supervisory Board members for the 2014 financial year (previous year: EUR 71,494). In both the previous year and in the year under review, compensation included only a short-term component, and consists of compensation for normal Supervisory Board activity. In addition to this, consultancy and other services were remunerated in an amount of EUR 2,659 (previous year: EUR 10,216).

As of 31 December 2014, this Supervisory Board compensation generates EUR 25,733 of payment obligations for the company (31 December 2013: EUR 28,391).

As in the previous year, no advances or loans were extended to Supervisory Board members in the year under review.

5.5 Events after the reporting date

In March 2015, the equity of va-Q-tec Ltd (UK) was increased by converting loans held by va-Q-tec AG into equity. This equity increase made it possible to re-attain the equity covenant that exists at the level of the subsidiary's separate financial statements. This covenant requires absolute equity of at least EUR 2,500,000 to be on the statement of financial position of va-Q-tec Ltd (UK) from 31 December 2014.

In March 2015, the decision for the investment grants for the expansion of the Kölleda operating site by the Thüringer Aufbaubank was amended after a corresponding application concerning extending the end of the measures until 30 June 2015, and clarification of having met the related conditions.

In June 2015, six investment loans provided by Commerzbank amounting to around EUR 1,800,000 were refinanced, and replaced by two new long-term loans amounting to EUR 2,440,000 in total. The new loans run until 30 June 2022.

In September 2015, va-Q-tec realised an investment of EUR 375,000 in Sumteq GmbH, Cologne, Germany. This relates to a young technology company with strategic interest for va-Q-tec. Sumteq GmbH develops nanoporous foams that are also deployed in va-Q-tec products.

In January 2016, a further 47,148 options from the stock option program were issued to two senior employees. A total of 141,444 stock options have been issued as a consequence. For these newly issued options, the fair value on the grant date amounted to EUR 11.93 per virtual option.

In March 2016, va-Q-tec AG rented an additional industrial hall at its Würzburg-Heuchelhof site to further expand pharmaceutical logistics activities.

In April 2016, a term sheet was agreed with a house bank for a structured financing facility to expand and pool existing lending commitments with other house banks. The total short- and medium-term financing facility should thereby expand by around EUR 4,750,000 to EUR 11,000,000. This financing facility should bolster liquidity as part of the company's planned growth. The final lending agreement was still being negotiated when these financial statements were approved for release.

In April 2016, approved capital was created at va-Q-tec AG. The Management Board was authorised to increase the share capital up to and including 31 December 2016 by a total of up to EUR 150,000 by issuing ordinary shares.

In April 2016, an Extraordinary General Meeting authorised the company to make a defined share repurchase. Immediately after the authorisation, va-Q-tec AG realised this share repurchase by purchasing 127,233 ordinary shares from a shareholder for a total amount of EUR 763,398.

In May 2016, the company purchased a plot of land at the Würzburg-Heuchelhof site from the city of Würzburg for its future operational expansion. The EUR 1,547,190 purchase price for the plot of land was settled in va-Q-tec shares. Immediately afterwards, the city of Würzburg sold the shares on Würzburger Versorgungs- und Verkehrs GmbH (WVV). WVV has become a shareholder of va-Q-tec as a result of this transaction.

5.6 Auditor's fees

The fees for the services of the auditor Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft of EUR 44,040 (previous year: EUR 47,591) comprise the following amounts:

EUR	**2014**	**2013**
Financial statements audit	28,983	30,606
Other certification services	-	5,394
Tax advisory services	11,410	7,416
Other services	3,647	4,175

Würzburg, 25 May 2016

va-Q-tec AG

The Management Board

Dr. Joachim Kuhn Dr. Roland Caps Christopher Hoffmann