



ALWAYS THE RIGHT TEMPERATURE



Quarterly statement | Q1 2017 (IFRS)

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1 ABOUT VA-Q-TEC

va-Q-tec is a leading supplier of high-performance products and solutions in the area of thermal insulation and cold chain logistics. The company develops, produces and markets innovative vacuum insulation panels (VIPs) as well as phase change materials (PCMs) for the reliable and energy-efficient controlling and insulation of temperature. In addition, va-Q-tec produces passive thermal packaging systems (containers and boxes) through optimally integrating VIPs and PCMs, which can maintain constant temperatures, depending on type, between 24 and more than 200 hours, without external energy input. To implement temperature-sensitive logistics chains, va-Q-tec – within a global partner network – operates a fleet of rental containers and boxes meeting demanding thermal protection standards. Along with Healthcare & Logistics, va-Q-tec serves the following markets: Appliance & Food, Technics & Industry, Building and Mobility. The high-growth company, which was founded in 2001, is based in Würzburg, Germany

Further information is available at: www.va-q-tec.com

HIGHLIGHTS IN Q1 2017

VA-Q-TEC CONTINUES ON ITS GROWTH TRACK IN 2017

- Q1 2017 revenue at EUR 11.4 million compared with EUR 8.2 million in 2016 (+39%)
- EBITDA Q1 2017: EUR 2.4 million compared with EUR 1.6 million of adjusted EBITDA in Q1 2016 (+50%)
- Very strong Products business and strong Services business contribute to growth
- Continued investments to expand container fleet and boost efficiency of the existing production and logistics infrastructure
- Formation of a subsidiary in Switzerland to expand service business

2 SIGNIFICANT EVENTS IN Q1 2017

The company's positive sales revenue trend advanced further during the first quarter of 2017. va-Q-tec continued to achieve significant progress in its Products and Services businesses in the first quarter of 2017, expanded relationships with existing customers and acquired new customers. The innovative insulation solutions of va-Q-tec are encountering growing interest in the areas of Appliance & Food (refrigerators and industrial cooling) as well as Technics & Industry (heat storage), promising further growth for 2017. New customers were gained for the "Serviced Rental" of containers and boxes in the Services business, which aims to address the challenges of the cold chain in the global pharmaceuticals industry. In this context, the fleet of rental containers for global "Serviced Rental" was expanded further in Q1 2017.

First customers were acquired with the "va-Q-one" thermal box newly introduced in Q4 2016, a cost-efficient one-way solution. This product is particularly suitable for shipments without economically viable return logistics.

A subsidiary was founded in Switzerland in February 2017. This company renders services (conditioning and cleaning, "fulfilment services") for the Swiss Post in the cold chain logistics area, and has already generated its first sales revenues in Q1 2017. Local presence also bolsters the market position of va-Q-tec in Switzerland, one of the biggest pharmaceutical manufacturing countries in the world. This Swiss subsidiary is allocated to the "Other" segment.

As a consequence of the positive business trend, EBITDA was up by 50%, despite higher personnel and other operating expenses to support the growth.

A start was also made in the first quarter with integrating the five partial locations in Würzburg into a central technology and logistics headquarters. This step serves to boost operating efficiency, to expand capacities for production and logistics, and to bundle technological competencies.

Overall, the company has made a good start to 2017 and is performing in line with expectations.

3 FINANCIAL POSITION AND PERFORMANCE IN Q1 2017

3.1 RESULTS OF OPERATIONS

The following overview presents the main items of the income statement of the va-Q-tec Group in each case in comparison with the previous year's quarter. The figures for Q1 2016 were adjusted for legal and advisory costs expensed in connection with preparation for the IPO.

EUR millions unless stated otherwise	Q1 2017 (IFRS)	Q1 2016 (IFRS)	Adjustment	Q1 2016 ad-justed	Δ 17 / 16 adjusted
Revenue	11.4	8.2		8.2	39%
Total income	13.3	10.0		10.0	33%
Cost of materials and services	-5.3	-4.3		-4.3	23%
Gross profit	8.0	5.7		5.7	40%
Personnel expenses	-3.5	-2.6		-2.6	35%
Other operating expenses	-2.2	-1.7	0.17	-1.5	47%
EBITDA	2.4	1.5	0.17	1.6	50%
EBITDA margin	18%	15%		16%	
Depreciation, amortisation and impairment losses	-1.7	-1.2		-1.2	42%
EBIT	0.7	0.3	0.17	0.4	75%
Result from equity accounted investments	0.0	0.0		0.0	
Net financial result	-0.2	-0.3		-0.3	-33%
EBT	0.5	0.0	0.17	0.1	400%
Number of employees	311			243	28%

The company achieved new order intake in the first quarter of 2017 significantly above the level of the previous year's quarter. Accordingly, va-Q-tec grew its sales revenue in Q1 2017 by 39% compared with the previous-year period to reach EUR 11.4 million. This sales revenue growth was driven mainly by the Products and Services divisions.

EUR millions	Q1 2017	Q1 2016	Δ
Products	3.9	2.0	95%
Systems	3.2	3.2	0%
Services	4.2	3.0	40%

In Q1 2017, the Products business (sale of vacuum insulation panels) was up by EUR 1.9 million, from EUR 2.0 million to EUR 3.9 million (+95%). Revenue in the Systems area (sale of thermal packaging) was stable at EUR 3.2 million. The Group generated sales revenues of EUR 4.2 million with Services ("Serviced Rental" of thermal packaging), compared with EUR 3.0 million in the prior-year period (+40%, EUR 1.2 million).

Mainly due to the sales revenue growth, total income was up by 33% to EUR 13.3 million (previous year: EUR 10.0 million).

The cost of materials increased by 23%, from EUR 4.3 million to EUR 5.3 million, less than the rate of total income growth, and corresponding to an improved cost ratio for materials and purchased services of 40% (previous year: 43%) in relation to total income. This improvement is chiefly attributable to more efficient container logistics in the global "Serviced Rental" operations. Expenses for warehousing, logistics and fulfilment services at partner companies were reduced considerably.

Personnel expenses in the first quarter of 2017 rose by EUR 0.9 million compared with the prior-year period, from EUR 2.6 million to EUR 3.5 million. Besides standard wage and salary increases, this rise is mainly due to the hiring of new staff to manage current and planned international growth

Other operating expenses increased by EUR 0.7 million, from EUR 1.5 million in the previous year's period (adjusted for legal and advisory costs for the IPO) to EUR 2.2 million in the first quarter of 2017. Reasons for this increase include rising rental expenses for additional administrative and logistics buildings, as well as a greater level of IT, marketing and sales costs as part of expanding the business. This raised the ratio of other operating expenses to total income from 15% to 17% in Q1 2017.

In line with the sales revenue growth in 2017, earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 50% from EUR 1.6 million in the previous year to EUR 2.4 million. This corresponds to an 18% EBITDA margin, compared with 16% in Q1 2016.

Depreciation, amortisation and impairment losses recorded a marked increase to EUR 1.7 million (previous year: EUR 1.2 million), reflecting a high level of investments in containers and boxes with respectively short depreciation periods.

The operating result (EBIT) rose to EUR 0.7 million (previous year: EUR 0.4 million), corresponding to a slightly improved EBIT margin of 5% (Q1 2016: 4%).

The net financial result improved from EUR -0.3 million in the prior-year period to EUR -0.2 million in Q1 2017 thanks to less utilisation of borrowings.

As a result, an improved level of earnings before tax (EBT) of EUR 0.5 million were generated for the first quarter of the 2017 financial year (previous year: EUR 0.1 million).

Reporting segments

The reporting segments performed as follows in Q1 2017:

German reporting segment (va-Q-tec AG)

EUR millions unless stated otherwise	Q1 2017	Q1 2016	Adjustment	Q1 2016 adjusted	Δ
Revenue	10.6	7.5		7.5	41 %
EBITDA	1.9	1.3	0.17	1.5	27 %
Average number of employees	279	216		216	29 %

The German reporting segment (va-Q-tec AG) grew its revenues from EUR 7.5 million in the previous year to EUR 10.6 million in the Q1 2017. The sales revenue growth is mainly attributable to the rental of thermal packages, as well as additional revenues from the sale of VIPs to manufacturers of refrigerators and boilers. Other operating expenses and personnel expenses recorded marked increases in line with the expansion of business and internationalisation. EBITDA in Q1 2017 was up 27% to EUR 1.9 million (previous year: EUR 1.5 million). The average number of employees rose by 29% to 279 (previous year: 216).

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

EUR millions unless stated otherwise	Q1 2017	Q1 2016	Δ
Revenue	3.9	3.7	5 %
thereof Services	3.8	2.9	31 %
EBITDA	1.4	0.9	56 %
Average number of employees	27	23	17 %

The UK reporting segment comprises mainly the rental of temperature-managed containers for the global pharmaceuticals industry. Sales revenues in this segment grew by 5% from EUR 3.7 million in the previous year to EUR 3.9 million in Q1 2017. Pure revenues from services (container and box rental) reported a markedly faster increase of 31%. The more favourable product mix and improved profitability of the container rental business boosted EBITDA at a faster rate from EUR 0.9 million in Q1 2016 to EUR 1.4 million in Q1 2017. The average number of employees rose by 17% to 27 (previous year: 23).

Other reporting segment

EUR millions unless stated otherwise	Q1 2017	Q1 2016	Δ
Revenue	0.3	0.1	200 %
EBITDA	- 0.02	- 0.01	
Average number of employees	5	4	25 %

The subsidiaries in Korea, Switzerland and the USA, which together comprise the Other reporting segment, reported higher revenue overall, driven by an increase in sales and purchasing commissions as well as the first-time inclusion of the Swiss subsidiary. EBITDA amounted to EUR -0.02 million (previous year: EUR -0.01 million). The number of staff amounted to 5 (previous year: 4).

3.2 NET ASSETS AND CAPITAL STRUCTURE

Property, plant and equipment grew by 10%, from EUR 31.4 million as of 31 December 2016 to EUR 34.6 million as of 31 March 2017, due to positive net investments. This increase mainly reflected the expansion of the container fleet for the global container rental business, as well as the acquisition of real estate in Würzburg.

Current assets reduced by EUR 2.3 million due to the cash-financed purchase of the expansion site. The EUR 30 million cash proceeds from the IPO continue to be invested on an interest-neutral basis as term deposits with terms of between six and twelve months.

The capital structure as of 31 March 2017 remained largely unchanged. The Group's equity registered a slight increase of EUR 0.2 million, standing at 64% of total equity and liabilities as of 31 March 2017 (31 December 2016: 64%).

Non-current bank borrowings reduced from EUR 2.2 million to EUR 2.0 million thanks to scheduled repayments, while current bank borrowings increased by EUR 0.7 million from EUR 5.4 million to EUR 6.1 million due to additional utilisation of overdrafts.

The reduction in non-current and current other financial liabilities is attributable to the continued decrease in finance leasing, especially in connection with the global container fleet.

Current liabilities and provisions stood at EUR 18.2 million in Q1 2017, representing 21% of total equity and liabilities (previous year: EUR 16.9 million; 20%). The Group's non-current liabilities amounted to EUR 12.4 million in Q1 2017, equivalent to 15% of total equity and liabilities (previous year: EUR 13.4 million, 16%). Trade payables totalled EUR 3.3 million, compared with EUR 2.3 million as of 31 December 2016.

3.3 FINANCIAL POSITION

Net cash flow from operating activities amounted to EUR 0.9 million in Q1 2017, EUR 0.7 million above the adjusted level of EUR 0.16 million in the prior-year quarter. This increase reflects a more efficient utilisation of trade working capital.

EUR millions	Q1 2017	Q1 2016
Net cash flow from operating activities (IFRS)	0.9	-0.06
Adjustment		0.17
Net cash flow from operating activities (adjusted)	0.9	0.11

Cash flow from investing activities changed from EUR -1.6 million to EUR -4.4 million. This increase mainly reflects the acquisition of real estate in Würzburg. The EUR 2.4 million reduction in cash flow from financing activities from EUR 1.9 million to EUR -0.3 million is attributable to the markedly reduced drawdown and increased repayment of finance leases for the container fleet.

4 CONSOLIDATED INCOME STATEMENT (IFRS) UNAUDITED

in EUR	Q1 2017	Q1 2016
Revenue	11,382,158	8,229,208
Changes in inventories	-95,954	-14,115
Work performed by the company and capitalised	1,345,555	1,305,019
Other operating income	688,565	452,164
Total income	13,320,324	9,972,276
Cost of materials and services	-5,310,696	-4,284,358
Gross profit	8,009,628	5,687,918
Personnel expenses	-3,465,389	-2,560,096
Other operating expenses	-2,167,992	-1,652,464
EBITDA	2,376,247	1,475,358
Depreciation, amortisation and impairment losses	-1,667,619	-1,209,980
Profit/loss before interest and tax (EBIT)	708,628	265,378
Results from equity accounted investments	-37,314	-3,750
Financial income	10,305	16
Financial expenses	-230,636	-286,994
Net financial result	-220,331	-286,978
Profit/loss before tax (EBT)	450,983	-25,350
Income tax	-172,210	-57,256
Consolidated net profit or loss	278,773	-82,606
Consolidated net profit or loss attributable to owners of va-Q-tec AG	278,773	-69,224
Consolidated net profit or loss attributable to non-controlling interests	-	-13,382
Consolidated earnings per share – basic/undiluted	0.02	-0.01
Consolidated earnings per share – diluted	0.02	-0.01

CONSOLIDATED STATEMENT OF COMPEHENSIVE INCOME (IFRS) UNAUDITED

in EUR	Q1 2017	Q1 2016
Consolidated net profit or loss	278,773	-82,606
Consolidated other comprehensive income		
Currency translation differences	7,415	10,201
Total other comprehensive income that will be reclassified to profit or loss	7,415	10,201
Consolidated total comprehensive income	286,188	-72,405
Consolidated total comprehensive income attributable to owners of va-Q-tec AG	286,188	-59,023
Consolidated total comprehensive income attributable to non-controlling interests	-	-13,382

5 GROUP FINANCIAL POSITION (IFRS) UNAUDITED

Assets

in EUR	31 / 03 / 2017	31 / 12 / 2016
Non-current assets		
Intangible assets	367,358	440,957
Property, plant and equipment	34,567,809	31,410,609
Equity accounted investments	398,604	435,918
Financial assets	84,770	66,770
Other non-financial assets	257,674	234,384
Deferred tax assets	2,665,993	2,839,618
Total non-current assets	38,342,208	35,428,256
Current assets		
Inventories	6,529,035	5,683,812
Trade receivables	7,276,877	7,141,968
Other financial assets - of which term deposits (3 - 12 months): 30,000,000	30,171,662	30,183,591
Tax assets	420,765	377,839
Other non-financial assets	1,192,713	748,475
Cash and cash equivalents	814,831	4,600,437
Total current assets	46,405,883	48,736,122
Total assets	84,748,091	84,164,378

Equity and liabilities

in EUR	31.03.2017	31.12.2016
Equity		
Issued share capital	13,089,502	13,089,502
Treasury shares	-497,116	-470,631
Additional paid-in capital	46,600,537	46,666,302
Cumulative other comprehensive income	-25,553	-32,969
Retained earnings	-5,037,139	-5,315,915
Equity attributable to parent company owners	54,130,231	53,936,289
Non-controlling interests	-	-
Total equity	54,130,231	53,936,289
Non-current liabilities and provisions		
Provisions	19,550	17,400
Bank borrowings	2,043,496	2,173,111
Other financial liabilities	3,433,464	4,012,249
Other non-financial liabilities	6,899,052	7,150,616
Total non-current liabilities and provisions	12,395,562	13,353,377
Current liabilities and provisions		
Provisions	122,831	37,329
Bank borrowings	6,116,997	5,410,141
Other financial liabilities	5,308,049	5,791,059
Trade payables	3,323,345	2,346,965
Tax liabilities	219,753	215,015
Other non-financial liabilities	3,131,324	3,074,202
Total current liabilities and provisions	18,222,299	16,874,712
Total liabilities	84,748,091	84,164,378

6 CONSOLIDATED CASH FLOW STATEMENT (IFRS) UNAUDITED

in EUR	Q1 2017	Q1 2016
Cash flow from operating activities		
Consolidated net profit or loss	278,776	-82,606
Current income taxes recognised in income statement	-	203,436
Net finance costs recognised in income statement	220,330	286,978
Interest received	-	16
Interest paid	-79,449	-269,223
Non-cash losses from equity accounted investments	37,314	3,750
Depreciation, amortisation and impairment losses	1,667,619	1,209,980
Gain / loss from disposal of non-current assets	-4,240	-18,957
Change in other assets	-516,525	-359,602
Change in other liabilities	-294,899	837,930
Change in provisions	87,651	-1,877
Other non-cash expenses or income	-401,846	-728,533
Cash flow from operating activities before working capital changes	994,731	1,081,292
Change in inventories	-909,607	-173,969
Change in trade accounts receivable	-134,909	-1,641,904
Change in trade accounts payable	976,379	673,742
Net cash flow from operating activities	926,594	-60,839
Cash flow from investing activities		
Payments for investments in intangible assets	-4,500	-31,339
Proceeds from disposals of property, plant and equipment	4,240	18,957
Payments for investments in property, plant and equipment	-4,437,636	-1,593,548
Net cash flow from investing activities	-4,437,896	-1,605,930

in EUR	Q1 2017	Q1 2016
Payments to purchase treasury shares		
Payments for equity transaction costs	-92,250	-
Proceeds from bank loans	-	-120,698
Repayments of bank loans	706,855	756,473
Proceeds from sale-and-finance-leaseback transactions	-129,616	-92,116
Proceeds from government grants	571,922	2,342,254
Net cash inflow from factoring	-	-
Net proceeds (payment) from factoring	-	40,882
Payments for finance leases liabilities	-1.331,215	-1,025,167
Net cash flow from financing activities	-274,304	1,901,628
Change in cash and cash equivalents before exchange rate effects	-3,785,606	234,862
Net change in cash and cash equivalents	-3,785,606	234,862
Cash and cash equivalents at start of period	4,600,437	1,186,044
Cash and cash equivalents at end of period	814,831	1,420,906

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PICTURE CREDITS

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FINANCIAL CALENDAR

19/06/2017	AGM
22/08/2017	Publication of half-year financial report
16/11/2017	Publication of nine months financial report

REMARKS

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

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