



Consolidated financial statements of va-Q-tec AG for the 2015 financial year

Würzburg, 25 May 2016

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Consolidated income statement

EUR

	Note	2015	2014
Revenues	4.1 1	22,543,223	18,338,193
Changes in inventories		724,219	83,346
Work performed by the company and capitalised	4.1 2	4,870,963	2,915,436
Other operating income	4.1 3	1,419,330	908,110
Total operating revenue		29,557,735	22,245,085
Cost of materials and services	4.1 4	- 12,354,411	- 9,486,618
Gross profit		17,203,324	12,758,467
Personnel expenses	4.1 5	- 8,853,712	- 7,461,456
Other operating expenses	4.1 7	- 4,751,021	- 3,627,233
EBITDA		3,598,591	1,669,778
Depreciation, amortisation and impairment losses	4.1 6	- 3,169,484	- 1,832,211
Earnings before interest and tax (EBIT)		429,107	- 162,433
Result from equity accounted investments	4.1 8	- 4,903	-
Financial income		590	21,257
Financial expenses		- 1,059,421	- 744,442
Net financial result	4.1 9	- 1,058,831	- 723,185
Earnings before tax (EBT)		- 634,627	- 885,618
Income tax	4.1 10	305,443	263,571
Net income		- 329,184	- 622,047
Consolidated net income attributable to owners of va-Q-tec AG		- 357,971	- 626,555
Consolidated net income attributable to non-controlling interests		28,787	4,508
Earnings per share - basic and diluted	4.1.11	- 0.08	- 0.14

Consolidated statement of comprehensive income

EUR

	Note	2015	2014
Net income		- 329,184	- 622,047
Consolidated other comprehensive income			
Currency translation differences	4.2.2.1	- 12,912	- 7,496
Total other comprehensive income that will be reclassified to profit or loss		- 12,912	- 7,496
Consolidated total comprehensive income		- 342,096	- 629,543
Consolidated total comprehensive income attributable to owners of va-Q-tec AG		- 370,883	- 634,051
Consolidated total comprehensive income attributable to non-controlling interests		28,787	4,508

Consolidated statement of financial position

Assets	Note	31.12.2015	31.12.2014
EUR			
Non-current assets			
Intangible assets	4.2.1.1	364,961	106,033
Property, plant and equipment	4.2.1.2	28,043,616	21,188,652
Equity accounted investments	4.2.1.3	370,097	-
Financial assets	4.2.1.4	46,214	45,247
Other non-financial assets	4.2.1.5	54,450	476,510
Deferred tax assets	4.1.10	2,146,935	1,302,064
Total non-current assets		31,026,273	23,118,506
Current assets			
Inventories	4.2.1.6	4,577,210	4,070,768
Trade receivables	4.2.1.7	4,415,527	3,393,928
Other financial assets	4.2.1.4	16,107	46,842
Current tax assets		25	33,385
Other non-financial assets	4.2.1.5	704,435	1,273,920
Cash and cash equivalents	4.2.1.8	1,186,045	1,243,708
Total current assets		10,899,349	10,062,551
Total assets		41,925,622	33,181,057
Equity and liabilities	Note	31.12.2015	31.12.2014
EUR			
Equity	4.2.2.1		
Issued share capital		4,578,187	4,578,187
Additional paid-in capital		9,030,470	9,055,249
Consolidated total other comprehensive income		-	8,464
Retained earnings		-	3,242,828
Equity attributable to parent company owners		9,998,297	10,382,144
Non-controlling interests	2.2	-	23,584
Total equity		9,991,709	10,358,560
Non-current liabilities			
Provisions	4.2.2.2	46,400	47,000
Bank borrowings	4.2.2.3	2,016,575	1,922,810
Other financial liabilities	4.2.2.4	5,108,042	1,811,107
Other non-financial liabilities	4.2.2.5	7,450,749	5,668,282
Total non-current liabilities and provisions		14,621,766	9,449,199
Current liabilities			
Provisions	4.2.2.2	77,000	49,485
Bank borrowings	4.2.2.3	6,893,775	3,337,572
Other financial liabilities	4.2.2.4	5,785,142	6,147,964
Trade payables	4.2.2.6	1,633,172	2,219,384
Tax liabilities		518,996	22,350
Other non-financial liabilities	4.2.2.5	2,404,062	1,596,543
Total current liabilities		17,312,147	13,373,298
Total equity and liabilities		41,925,622	33,181,057

Consolidated statement of cash flows
EUR

	2015	2014
Cash flow from operating activities		
Net income	-329,184	-622,047
Current income taxes recognised in income statement	528,989	22,891
Income taxes paid	-32,341	-32,414
Net finance costs recognised in income statement	1,058,831	723,185
Interest received	590	999
Interest paid	-815,726	-547,980
Non-cash losses from equity accounted investments	4,903	-
Depreciation, amortisation and impairment losses	3,169,484	1,832,211
Gain/loss from disposal of non-current assets	-6,979	-
Change in other assets	533,828	-649,990
Change in other liabilities	551,103	117,334
Change in provisions	26,915	-42,025
Other non-cash expenses or income	-2,518,589	-717,284
Cash flow from operating activities before working capital changes	2,171,824	84,880
Change in inventories	-403,220	-427,645
Change in trade receivables	-1,021,600	-1,114,458
Change in trade payables	-586,212	1,317,300
Net cash flow from operating activities	160,792	-139,923
Cash flow from investing activities		
Payments for investment in intangible assets	-308,083	-76,244
Proceeds from disposal of property, plant and equipment	15,594	-
Payments for investments in property, plant and equipment	-6,525,261	-3,967,999
Payments for acquisition of interests in associates	-375,000	-
Net cash flow from investing activities	-7,192,750	-4,044,243
Cash flow from financing activities		
Payments for equity transaction costs	-35,218	-
Proceeds from bank loans	4,290,732	3,146,808
Repayments of bank loans	-640,764	-1,562,296
Proceeds from sale-and-finance-leaseback transactions	7,214,881	4,479,468
Proceeds from government grants	637,761	254,165
Net cash inflow from factoring	155,933	27,009
Payments for finance leases liabilities	-4,648,670	-2,251,226
Net cash flow from financing activities	6,974,655	4,093,928
Net cash flows before exchange rate effects	-57,303	-90,238
Effect of exchange rate changes on cash and cash equivalents	-360	-230
Net change in cash and cash equivalents	-57,663	-90,468
Cash and cash equivalents at start of period	1,243,708	1,334,176
Cash and cash equivalents at end of period	1,186,045	1,243,708

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			
01.01.2014	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
01.01.2015	4,578,187	9,055,249	-3,242,828	-8,464	10,382,144	-23,584	10,358,560
Net income	-	-	-357,971	-	-357,971	28,787	-329,184
Consolidated other comprehensive income	-	-	-	-12,912	-12,912	-	-12,912
Consolidated total comprehensive income	-	-	-357,971	-12,912	-370,883	28,787	-342,096
Equity transaction costs	-	-24,779	-	-	-24,779	-	-24,779
Change in non-controlling interest	-	-	11,815	-	11,815	-11,791	24
31.12.2015	4,578,187	9,030,470	-3,588,984	-21,376	9,998,297	-6,588	9,991,709

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 2015 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 voluntarily prepared consolidated financial statements, compiled as of 31 December 2015, including the comparable period as of 31 December 2014. 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).

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 IFRS consolidated financial statements. These comply with the mandatory applicable IFRS in the EU in the 2015 financial year.

The accounting policies applied correspond to those applied in the previous year, as a matter of principle. The Improvements to IFRS (2011-2013) that were applied for the first time in the 2015 financial year represent an exception. The Improvements to IFRS (2011-2013) comprise a collection of minor amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40. These amendments and amendments based on IFRIC 21 have no effects on the company's consolidated financial statements.

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, 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 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

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 2015, the following subsidiaries were fully consolidated:

Consolidation scope of the va-Q-tec Group

Name	Headquarters	Equity interest 31.12.2015	Equity interest 31.12.2014
va-Q-tec Ltd.	Rochester, UK	94%	96%
va-Q-tec USA Inc.	East Rutherford, NJ, USA	100%	100%
va-Q-tec Korea Ltd.	Joong-gu, Incheon, Republic of Korea	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 2015 (31 December 2014: 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.

Besides the interests in the aforementioned fully consolidated subsidiaries, as of the reporting date va-Q-tec AG holds an interest of 14.6% in Sumteq GmbH, Cologne, acquired in 2015. Due to corporate law agreements that enable va-Q-tec to exert significant influence over financial and business policy decisions, this interest is to be classified as an associate, and accounted in the consolidated financial statements using the equity method.

2.2 Consolidation scope changes and other acquisitions and disposals

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, 2014 and 2015, the economic restrictions were lifted for 2% of the capital interests in each case. In all three cases, the transaction was recognised directly in equity as a majority-preserving reduction of interest, and results in the reporting of non-controlling interests.

In 2015, va-Q-tec AG acquired a non-controlling interest in Sumteq GmbH, for EUR 375,000. Sumteq is a young technology company that develops innovative foams that are to be deployed in the future as high-performance core materials for VIPs. To this extent, this comprises a strategic investment. If Sumteq reaches an agreed technical development milestone, va-Q-tec will invest a further EUR 125,000 in the company in return for further shares.

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.

An associate is a company where va-Q-tec exerts significant influence. Significant influence is defined here as the ability to collaborate in the financial and business policy decisions of the participating interest without controlling it, or managing it jointly. If va-Q-tec AG directly or indirectly holds between 20% and 50% of the voting rights in the participating interest, the assumption exists that significant influence can be exercised. Given a directly or indirectly held voting rights interest of less than 20%, significant influence is assumed if it can be proven clearly.

Equity accounted investments are initially recognised at acquisition cost, before being recognised in subsequent periods at the proportionate value of their amortised net assets. This entails increasing or reducing the carrying amounts annually to reflect the proportionate profits and losses, dividend distributions, and all further equity changes. Unrealised gains based on transactions with associates are eliminated against the carrying amount of the participating interest according to the scope of the va-Q-tec interest. Unrealised losses are eliminated in the same manner, although only to the extent that no indications of impairment exist. Goodwill is not reported separately, but is instead included in the valuation of the participating interest. Goodwill is not amortised. Disclosed hidden reserves are amortised. Impairment losses are applied to equity accounted investments if their recoverable amount falls below their carrying amount.

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	
	31.12.2015	31.12.2014	2015	2014
British pound	0.7739	0.7789	0.7258	0.8061
US dollar	1.0887	1.2141	1.1095	1.3285
South Korean won	1,280.78	1,324.80	1,256.54	1,398.14

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 to 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 taken 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	
<i>Buildings</i>	50 years
<i>Outdoor and other facilities</i>	8 - 14 years
Production equipment and machinery	
<i>Production plants</i>	8 - 12 years
<i>Other production equipment and machinery</i>	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.

The "Other disclosures" section 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	2015	2014
Product ans systems	12,665,239	14,447,980
Services	9,395,006	3,058,479
Other	482,978	831,734
Group, total	22,543,223	18,338,193

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. Newly added in the service business in 2015 is the rental of high-performance boxes for the transportation of temperature-sensitive goods. Other revenues are generated through thermal consulting and government-subsidised research projects.

The services business achieved year-on-year sales revenue growth of more than 178% (previous year: 160%). This sales revenue growth is mainly due to the growing container service business.

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 2014 and 2015 financial years. Work performed by the company and capitalised deriving from the container fleet registered a significant increase in 2015 due to the strong growth of operating activities in this area.

EUR	2015	2014
Work performed by the company and capitalised arising from container sale-and-finance-leaseback transactions	3,756,593	2,570,208
Other work performed by the company and capitalised	1,114,370	345,228
Group, total	4,870,963	2,915,436

Of the total research and development costs of EUR 1,043,815 incurred in 2015 (previous year: EUR 990,825), EUR 32,328 (previous year: EUR 22,768) 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	2015	2014
Income from release of special item for grants	678,851	210,046
Income from release of special item for deferred container profits	395,017	358,700
Exchange rate gains	88,482	77,847
Income from other accounting periods	104,310	155,132
Renewable energy subsidies	21,852	21,015
Gains on fixed asset disposals	14,954	-
Income from insurance compensation	100	44,815
Other income	115,764	40,555
Group, total	1,419,330	908,110

4.1.4 Cost of materials and services

EUR	2015	2014
Cost of raw materials and supplies	9,776,948	8,471,015
Cost of purchased services	2,577,463	1,015,603
Group, total	12,354,411	9,486,618

4.1.5 Personnel expenses

The following table shows the trend in personnel expenses in the 2014 and 2015 financial years.

EUR	2015	2014
Wages and salaries	7,592,957	6,357,804
Social security contributions	1,260,755	1,103,652
Group, total	8,853,712	7,461,456

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 9.35% (previous year: 9.45%) (employer component) of pension compensation. The contributions rendered amounted to EUR 524,463 in 2015 (previous year: EUR 458,667). In addition, va-Q-tec AG renders contributions of EUR 66,024 (previous year: EUR 58,440) 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 21,868 (previous year: EUR 20,400) was paid into an external congruently reinsured pension fund in the current financial year. As a consequence EUR 612,355 (previous year: EUR 537,507) of expenses for defined contribution pension plans were recognised.

The average number of employees in the 2014 and 2015 financial years is presented below:

	2015	2014
Male employees	165	149
Female employees	47	41
Group, total	212	190

4.1.6 Depreciation, amortisation and impairment losses

Depreciation and amortisation charges of EUR 3,169,484 were incurred in the 2015 financial year (previous year: EUR 1,832,211). No impairment losses or reversals of impairment losses occurred in either of these financial years.

4.1.7 Other operating expenses

EUR	2015	2014
Marketing and sales	1,088,995	660,770
Legal, patents and consulting costs	811,408	540,471
Repair and maintenance	562,100	590,592
Rent and leasing	574,542	426,833
Freight	375,256	352,806
Insurance and contributions	231,048	161,249
Other personnel expenses	203,087	215,380
IT and other office costs	218,471	244,701
Expenses relating to other accounting periods	83,599	39,480
Exchange rate losses	51,162	37,057
Additions to other provisions	25,000	50,500
Other	526,353	307,394
Group, total	4,751,021	3,627,233

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 Result from equity accounted investments

A proportional negative result of EUR 4,903 was incurred from an equity accounted investment in the current financial year.

4.1.9 Net financial result

EUR	2015	2014
Interest income	590	999
Income from derivative financial instruments	-	20,258
Financial income	590	21,257
Interest expense	- 889,395	- 583,057
Expenses from derivative financial instruments	- 170,026	- 161,385
Financial expenses	- 1,059,421	- 744,442
Net financial result	- 1,058,831	- 723,185

4.1.10 Income tax

EUR		
	2015	2014
Actual tax expense (tax income)		
Current period	529,060	55,305
Prior periods	- 71	- 32,414
Deferred tax expense (tax income)	- 834,432	- 286,462
Group, total	- 305,443	- 263,571

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: 29.6%). 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.

EUR		
	2015	2014
Consolidated earnings before tax	- 634,627	- 885,618
Expected income tax expense	29.6%	29.6%
Expected income tax expense (tax income)	- 188,122	- 262,524
Tax-free income	- 39,370	- 38,598
Non-tax-deductible operating expenses	33,942	34,848
Non-capitalised deferred taxes on temporary differences and tax loss carryforwards	67,911	54,483
Utilisation of non-capitalised loss carryforwards	- 3,664	-
Reported tax expense	- 71	- 32,414
Divergent foreign tax rates	- 143,933	- 1,196
Other effects	- 32,135	- 18,170
Reported tax expense (tax income)	- 305,443	- 263,571

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

31.12.2015	Deferred tax assets	Deferred tax liabilities
EUR	31.12.2015	31.12.2015
ASSETS		
Intangible assets	-	17,552
Property, plant and equipment	191,540	190,483
Interests in subsidiaries, joint ventures and associates	-	-
Non-current financial assets	-	19,170
Inventories	46,598	-
Trade receivables	-	138,200
Other current financial assets	-	-
Other current non-financial assets	-	-
EQUITY AND LIABILITIES		
Non-current provisions	-	-
Non-current financial liabilities	36,373	-
Other non-current non-financial liabilities	1,321,656	-
Current provisions	-	-
Other current financial liabilities	262,505	-
Other current non-financial liabilities	395,042	-
Loss carryforwards	258,626	-
Total	2,512,340	365,405
Offsetting	- 365,405	
As reported	2,146,935	
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	

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 274,796 (previous year: EUR 220,335) 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. Especially at the production company (va-Q-tec AG) and in the container service business (va-Q-tec Ltd. (UK)), extensive investments in personnel, technology and capacities were realised in the years from 2012 to 2015. These

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

As of 31 December 2015 tax loss carryforwards amount to EUR 637,072 (31 December 2014: EUR 413,600), 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.

4.1.11 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:

	2015		2014	
Consolidated net result after non-controlling interests (EUR)	-	357,971	-	626,555
Weighted average number of shares		4,578,187		4,578,187
Earnings per ordinary share and preference share (EUR)	-	0.08	-	0.14

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 remarks about equity for information about the composition of the issued share capital.

No potentially dilutive financial instruments were issued in the 2014 and 2015 financial years.

4.2 Consolidated statement of financial position

4.2.1 Assets

4.2.1.1 Intangible assets

Non-current assets		Acquisition and production cost					Balance on 31.12.2015
		Balance on 01.01.2015	Exchange rate differences	Additions	Reclassifications	Disposals	
EUR							
1.	Software	382,009	-	275,755	-	-	657,764
2.	Internally generated intangible assets in production stage	22,768	-	32,328	-	-	55,096
Intangible assets, total		404,777	-	308,083	-	-	712,860
EUR							
		Balance on 01.01.2014	Exchange rate differences	Additions	Reclassifications	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

Non-current assets		Depreciation, amortisation and impairment losses				Carrying amounts	
		Balance on 01.01.2015	Exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Disposals	Balance on 31.12.2015	Balance on 31.12.2014
EUR							
1.	Software	298,743	-	49,156	-	347,899	309,865
2.	Internally generated intangible assets in production stage	-	-	-	-	-	83,266
Intangible assets, total		298,743	-	49,156	-	347,899	393,131
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 31.12.2013
1.	Software	250,893	-	47,850	-	298,743	83,266
2.	Internally generated intangible assets in production stage	-	-	-	-	-	77,639
Intangible assets, total		250,893	-	47,850	-	298,743	160,905

The software item includes intangible assets arising from a finance lease. The net carrying amount of the respective assets stands at EUR 4,115 as of the reporting date (31 December 2014: EUR 12,345).

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					Balance on 31.12.2015
		Balance on 01.01.2015	Exchange rate differences	Additions	Reclassifications	Disposals	
EUR							
1.	Land and buildings	4,951,735	-	28,381	-	-	4,980,116
2.	Production equipment and machinery	10,047,898	-	1,135,492	372,288	451	11,555,227
3.	Other plant, operating and office equipment	2,752,753	812	189,648	20,233	71,751	2,891,695
4.	Container fleet	6,277,267	-	7,809,220	-	-	14,086,487
5.	Plant under construction	3,756,966	-	820,807	392,521	-	4,185,252
Property, plant and equipment, total		27,786,619	812	9,983,548	-	72,202	37,698,777

EUR		Balance on 01.01.2014	Exchange rate differences	Additions	Reclassifications	Disposals	Balance on 31.12.2014
		1.	Land and buildings	4,915,814	-	35,921	-
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	-	4,185,252
Property, plant and equipment, total		20,700,838	230	7,085,551	-	-	27,786,619

Non-current assets		Depreciation, amortisation and impairment losses				Carrying amounts	
		Balance on 01.01.2015	Exchange rate differences	Depreciation, amortisation and impairment losses in the financial year	Disposals	Balance on 31.12.2015	Balance on 31.12.2014
EUR							
1.	Land and buildings	653,626	-	162,323	-	815,949	4,164,167
2.	Production equipment and machinery	3,243,522	-	834,232	-	4,077,754	7,477,473
3.	Other plant, operating and office equipment	1,842,748	453	322,856	63,587	2,102,470	789,225
4.	Container fleet	858,071	-	1,800,917	-	2,658,988	11,427,499
5.	Plant under construction	-	-	-	-	-	4,185,252
Property, plant and equipment, total		6,597,967	453	3,120,328	63,587	9,655,161	28,043,616

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 31.12.2013
		1.	Land and buildings	495,798	-	157,828	-
2.	Production equipment and machinery	2,524,682	-	718,840	-	3,243,522	6,804,376
3.	Other plant, operating and office equipment	1,534,695	-	308,053	-	1,842,748	910,005
4.	Container fleet	258,431	-	599,640	-	858,071	5,419,196
5.	Plant under construction	-	-	-	-	-	3,707,282
Property, plant and equipment, total		4,813,606	-	1,784,361	-	6,597,967	21,188,652

Assets arising from a finance lease are reported under property, plant and equipment. As of 31 December 2015, these are attributable in a net carrying amount of EUR 11,048,653 to the container fleet (31 December 2014: EUR 5,298,273). Technical plant and machinery, as well as plant under construction, include assets from finance leases with a net carrying amount as of 31 December 2015 of EUR 3,582,651 (31 December 2014: EUR 4,532,077).

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 Köllda site.
- All plants and machinery from finance leases at the Würzburg and Köllda 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 1,752,210 (31 December 2014: EUR 1,218,244) serves as collateral for long-term bank loans.

- From the "Other equipment" category, assets amounting to EUR 1,408,940 (31 December 2014: EUR 803,190) at the Köllda 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 Equity accounted investments

In September 2015, va-Q-tec AG acquired a non-controlling interest in Sumteq GmbH, for EUR 375,000. Sumteq is a young technology company that develops innovative foams that are to be employed in the future as high-performance core materials for VIPs.

The following table summarises the financial information for Sumteq, adjusted for fair value on the acquisition date, and extrapolating the effects to the reporting date. The table also provides a reconciliation of the summarised financial information with the reported carrying amount of the va-Q-tec interest in Sumteq. The information for the 2015 financial year presented in the table includes the results of Sumteq for the 1 September 2015 to 31 December 2015 period.

Financial information for Sumteq GmbH	31.12.2015
EUR	
Non-current assets	1,470,588
Current assets	493,034
Non-current liabilities	- 477,206
Current liabilities	- 6,881
Net assets (100%)	1,479,535
Group share of net assets (14.6%)	215,272
Goodwill	154,825
Carrying amount of equity accounted investments	370,097
<hr/>	
Financial information for Sumteq GmbH	2015
EUR	
Revenues (01.09.2015 - 31.12.2015)	-
Net result for the period (01.09.2015 - 31.12.2015)	- 33,698
Other comprehensive income (01.09.2015 - 31.12.2015)	-
Total comprehensive income (100%)	- 33,698
Group share of total comprehensive income (14.6%)	- 4,903

4.2.1.4 Other non-current and current financial assets

Other financial assets			Balance on
EUR	Non-current	Current	31.12.2015
Suppliers with debit balances	-	14,530	14,530
Deposits	46,214	577	46,791
Miscellaneous	-	1,000	1,000
Group, total	46,214	16,107	62,321

Other financial assets			Balance on
EUR	Non-current	Current	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

The other financial assets are neither overdue nor impaired.

4.2.1.5 Other non-current and current non-financial assets

Other non-financial assets			Balance on
EUR	Non-current	Current	31.12.2015
Advance payments on property, plant and equipment	54,450	-	54,450
VAT receivables	-	434,914	434,914
Advance payments on inventories	-	22,590	22,590
Advance payments and accrued income	-	144,559	144,559
Miscellaneous	-	102,372	102,372
Group, total	54,450	704,435	758,885

Other non-financial assets			Balance on
EUR	Non-current	Current	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

The other non-financial assets comprise mainly claims to reimbursement of energy tax, receivables due from employees, and other advance payments. The receivables in the previous year arising from subsidies

that have been applied for relate to government grants that were granted as part of the expansion of the Kölleda location, and paid out in the year under review.

4.2.1.6 Inventories

The inventories position has increased by EUR 506,442 overall (previous year: EUR 282,748).

Inventories EUR	31.12.2015	31.12.2014
Raw materials and supplies	2,377,428	2,588,785
Work in progress	266,523	183,105
Finished products and goods	1,933,259	1,298,878
Group, total	4,577,210	4,070,768

Inventories as of 31 December 2015 include EUR 225,832 impairment (31 December 2014: EUR 271,121). 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 552,621 as of 31 December 2015 (31 December 2014: EUR 392,980).

4.2.1.7 Trade receivables

Changes in valuation allowances applied to trade receivables

EUR	2015	2014
Balance at 1 January	25,865	31,036
Consumption	-	-
Release	-	5,171
Addition	14,464	-
Balance at 31 December	40,329	25,865

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 3,042,573 were transferred against cash as part of factoring agreements during the financial year under review (previous year: EUR 3,265,017). 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 446,216 as of 31 December 2015 (31 December 2014: EUR 290,283).

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

4.2.1.8 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	31.12.2015	31.12.2014
Current account balances	1,179,512	987,158
Savings account balances	4,073	254,065
Cash balances	2,460	2,485
Group, total	1,186,045	1,243,708

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 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 31.12.2015	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 31.12.2014	4,578,187	4,578,187

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.

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. In 2015, after-tax transaction costs of EUR 24,779 (previous year: EUR 0) for the 2016 planned capital increase were deducted directly from additional paid-in capital.

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 01.01.2015	30,000	17,000	15,600	33,885	96,485
Addition	-	400	17,000	64,000	81,400
Utilisation	-	-	-	33,885	33,885
Release	5,000	-	15,600	-	20,600
Balance on 31.12.2015	25,000	17,400	17,000	64,000	123,400
Non-current	25,000	17,400	-	4,000	46,400
Current	-	-	17,000	60,000	77,000

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, and provisions for open services by suppliers.

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 seven years.

In June 2015, six existing long-term investment loans 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. The risk arising from variable interest on the new loans was hedged through interest-rate swaps, as it was the case in the past, hedge accounting according to IAS 39 is not applied in this context.

4.2.2.4 Other non-current and current financial liabilities

Financial liabilities				Balance on
EUR	Non-current	Current	31.12.2015	
Finance leases	5,024,287	3,856,715	8,881,002	
Dormant investment	-	487,999	487,999	
Derivative financial instruments	83,755	435,000	518,755	
Factoring	-	446,216	446,216	
Deferred liabilities for outstanding invoices	-	467,173	467,173	
Miscellaneous	-	92,039	92,039	
Group, total	5,108,042	5,785,142	10,893,184	

Financial liabilities				Balance on
EUR	Non-current	Current	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	

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 Köllda 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 reduction in the current proportion of finance leasing in 2015 is attributable to a reclassification of financial liabilities from current to non-current after one of the UK subsidiary's equity covenants was complied with again in March 2015. Due to non-compliance with the covenant as of the 2014 reporting date and the risk that the related liability would be called due, originally non-current lease liabilities of EUR 3,948,479 were recognised as current as of the 2014 reporting date.

The table below presents the lease payments due in the future, with their present values.

31.12.2015			
EUR	Future minimum lease payments	Interest	Present value (finance lease liabilities)
up to one year	4,456,985	600,269	3,856,716
longer than one year and up to five years	5,407,528	383,242	5,024,286
longer than five years	-	-	-
Total minimum lease payments	9,864,513	983,511	8,881,002

31.12.2014			
EUR	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

The derivative financial instruments item includes the negative fair values of interest-rate swaps to hedge variable interest non-current bank borrowings of EUR 83,755 (31 December 2014: EUR 76,959), and the negative market value of EUR 435,000 (31 December 2014: EUR 282,750) 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. It is assumed that the dormant investor will exercise this special termination right due to the IPO that is scheduled for 2016.

4.2.2.5 Other non-current and current non-financial liabilities

Non-financial liabilities				Balance on
EUR	Non-current	Current	31.12.2015	
Special item for grants	3,621,991	432,001	4,053,992	
Special item for deferred container profits	3,828,758	1,189,220	5,017,978	
Employee bonuses	-	179,595	179,595	
Liabilities from other taxes	-	141,738	141,738	
Deferred liabilities for unutilised vacation	-	51,940	51,940	
Prepayments received for orders	-	228,440	228,440	
Miscellaneous other non-financial liabilities	-	181,128	181,128	
<i>Other personnel liabilities</i>	-	83,098	83,098	
<i>Miscellaneous</i>	-	98,030	98,030	
Group, total	7,450,749	2,404,062	9,854,811	

Non-financial liabilities				Balance on
EUR	Non-current	Current	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	
<i>Other personnel liabilities</i>	-	116,766	116,766	
<i>Miscellaneous</i>	-	39,697	39,697	
Group, total	5,668,282	1,596,543	7,264,825	

Government grants

Similar to previous years, the company received further grants from the federal state of Thuringia and from the European Union in 2014 and 2015, as well as investment allowances, resulting from the continuous expansion of its production site in Köllda, 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.

Special item for grants	2015	2014
EUR		
Balance at 1 January	4,329,626	4,195,189
Addition	170,852	527,625
Release	395,017	358,700
Neutral release	51,469	34,488
Balance at 31 December	4,053,992	4,329,626
- of which non-current	3,621,991	3,934,609
- of which current	432,001	395,017

Deferred income from sale-and-finance-leaseback transactions

In 2015, containers worth EUR 7,214,881 (previous year: EUR 4,479,468), 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 2015		Measurement category as per IAS 39 / IAS 17	Carrying amount		Fair value		of which: fair value		
EUR			31.12.2015	31.12.2015	31.12.2015	31.12.2015	Level 1	Level 2	Level 3
Financial assets									
Trade receivables		LaR	4,415,527		4,415,527				
Other financial assets									
of which: derivative financial instruments		FVtPL	-		-				
of which: miscellaneous financial assets		LaR	62,321		62,321				
Cash and cash equivalents		LaR	1,186,045		1,186,045				
Total			5,663,893		5,663,893				
Financial liabilities									
Bank borrowings		FLAC	8,910,349		8,921,232		8,921,232		
Trade payables		FLAC	1,633,172		1,633,172				
Other financial liabilities									
of which: finance lease liabilities		IAS 17	8,881,002		8,918,767		8,918,767		
of which: derivative financial instruments		FVtPL	518,755		518,755		83,755	435,000	
of which: dormant investment		FLAC	487,999		499,769		499,769		
of which: miscellaneous other financial liabilities		FLAC	1,005,428		1,005,428				
Total			21,436,705		21,497,123				

Of which aggregated by measurement category as per IAS 39		Measurement category as per IAS 39 / IAS 17	Carrying amount		Fair value	
Loans and Receivables		LaR	5,663,893		5,663,893	
At fair value through P&L (asset)		FVtPL	-		-	
Financial liabilities measured at amortised cost		FLAC	12,036,948		12,059,601	
At fair value through P&L (liability)		FVtPL	518,755		518,755	

Values by measurement categories 2014		Measurement category as per IAS 39 / IAS 17	Carrying amount		Fair value		of which: fair value		
EUR			31.12.2014	31.12.2014	31.12.2014	31.12.2014	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		Measurement category as per IAS 39 / IAS 17	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	

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 2015, the imputed probability of an IPO was gauged at 50% (previous year: 50%), and the stock market value of the company was imputed at EUR 100,000,000 (previous year: EUR 65,000,000). 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 31.12.2013	-121,365
Change through P&L	-161,385
Balance on 31.12.2014	-282,750
Change through P&L	-152,250
Balance on 31.12.2015	-435,000

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.

4.5 Net result from financial instruments

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

EUR

2015 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	590	-	-14,464	-	-	22,820
FVtPL	-	-	-	-	-170,026	-
FLAC	-	-354,618	-	-	-	14,500
IAS 17	-	-534,778	-	-	-	-
Total	590	-889,396	-14,464	-	-170,026	37,320

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

4.6 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 4,477,484 as of the 31 December 2015 reporting date (31 December 2014: EUR 3,486,017).

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

Trade receivables	31.12.2015	31.12.2014
EUR		
Not overdue	3,717,029	2,864,880
Less than 30 days	403,289	390,831
30-90 days	155,712	76,081
91-360 days	114,915	53,683
More than 360 days	19,667	3,538
Unimpaired receivables	4,410,612	3,389,013
Carrying amount of impaired receivables	4,915	4,915
Total	4,415,527	3,393,928

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:

2015						
Repayment amounts on respective due date						
EUR	Bank borrowings	Other financial liabilities			Trade payables	Total
		Finance lease liabilities	Derivative financial instruments	Miscellaneous other financial liabilities		
2016	7,082,717	4,456,985	485,601	1,525,178	1,633,173	15,183,653
2017	430,986	3,402,981	36,820	-	-	3,870,786
2018	414,846	1,844,783	27,372	-	-	2,287,001
2019	399,309	105,764	18,114	-	-	523,187
2020	386,679	54,001	10,586	-	-	451,266
2021 and after	553,413	-	6,326	-	-	559,739
Total 31.12.2015	9,267,949	9,864,513	584,820	1,525,178	1,633,173	22,875,633

2014						
Repayment amounts on respective due date						
EUR	Bank borrowings	Other financial liabilities			Trade payables	Total
		Finance lease liabilities	Derivative financial instruments	Miscellaneous other financial liabilities		
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

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 and the risk that the related liability would be called due, originally non-current lease liabilities of EUR 3,948,479 were recognised as current as of the 2014 reporting date.

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). Where financially feasible, va-Q-tec hedges its significant exchange rate risks by employing forward currency transactions. The hedging of value fluctuations of future cash flows from expected transactions involves planned costs denominated in foreign currency. Differences caused by exchange rates when financial statements are translated into the Group currency are not taken into 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 2015 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 58,092 (previous year: EUR 37,433) higher, and consolidated equity would have been EUR 58,092 (previous year: EUR 37,433) higher. 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 58,092 (previous year: EUR 37,433) lower, and consolidated equity would have been EUR 58,092 (previous year: EUR 37,433) lower. 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 42,302 (previous year: EUR 109,220) higher, and consolidated equity would have been EUR 42,302 (previous year: EUR 109,220) 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 42,302 (previous year: EUR 109,220) lower, and consolidated equity would have been EUR 42,302 (previous year: EUR 109,220) 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 23,274 lower (previous year: EUR 6,757 lower), and consolidated equity

would have been EUR 23,274 lower (previous year: EUR 6,757 lower). If the market interest-rate level as of the reporting date had been 100 basis points lower, the consolidated profit/loss would have been EUR 37,901 higher (previous year: EUR 5,338 higher), and consolidated equity would have been EUR 37,901 higher (previous year: EUR 5,338 higher).

Capital management

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

va-Q-tec regularly monitors its capital on the basis of various key figures. The equity ratio represents an important key indicator in this context. The Management Board has 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 23.8% due to the higher level of debt and the slight reduction in equity (previous year: 31.2%). This key indicator lies slightly below the target that the Management Board set.

In the 2015 financial year, financial liabilities of the parent company va-Q-tec AG in amounting EUR 8,081,216 (previous year: EUR 4,671,166) 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 3.0x EBITDAR (previous year: 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 7,908,471 as of 31 December 2015 (previous year: 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 met on the reporting date, having not been met at the end of 2014. This covenant was met again in March 2015 through increasing the equity of va-Q-tec Ltd. (UK).

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 rental of thermal boxes for the transportation of temperature-sensitive goods, especially pharmaceuticals, was newly added in the year under review.

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.

Apart from the newly added rental business with boxes at va-Q-tec AG, the activities of the three operating segments 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 2015

va-Q-tec Group
EUR

	va-Q-tec AG			va-Q-tec Ltd. (UK)		
	Local GAAP	Reconciliation	IFRS	Local GAAP	Reconciliation	IFRS
External revenue	21,063,045	-	21,063,045	8,694,870	-	8,694,870
Internal revenue	1,232,522	-	1,232,522	49,697	-	49,697
Total sales revenue	22,295,567	-	22,295,567	8,744,567	-	8,744,567
Total operating revenue	24,747,653	222,888	24,970,542	8,744,566	-	8,744,566
Cost of materials and services	- 9,416,731	- 43,479	- 9,460,211	- 3,250,809	45,750	- 3,205,059
Personnel expenses	- 7,788,213	-	- 7,788,213	- 920,453	-	- 920,453
Other operating expenses	- 3,842,897	78,919	- 3,763,978	- 1,628,054	- 46	- 1,628,100
EBITDA	3,699,812	258,328	3,958,140	2,945,250	45,704	2,990,954
Depreciation, amortisation and impairment losses	- 1,415,925	- 8,230	- 1,424,155	- 1,837,701	- 8,712	- 1,846,413
EBIT	2,283,887	250,098	2,533,985	1,107,549	36,992	1,144,541
Result from equity accounted investments	-	-	-	-	-	-
Financial income	36,739	1,403	38,142	-	-	-
Financial expenses	- 402,607	- 212,855	- 615,462	- 393,924	- 62,759	- 456,683
EBT	1,918,019	38,646	1,956,665	713,625	- 25,767	687,858
FY 2015 investments	2,318,168	-	2,318,168	8,327,841	-	8,327,841
Assets 31.12.2015	31,706,190	809,343	32,515,533	14,799,492	39,498	14,838,989
Non-current assets 31.12.2015	16,512,488	59,211	16,571,699	12,334,176	- 43,759	12,290,417
Equity accounted investments	-	-	-	-	-	-
Liabilities 31.12.2015	15,724,967	2,322,839	18,047,806	11,579,630	75,564	11,655,194
FY 2015 employees	195	-	195	14	-	14

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 2015

va-Q-tec Group

EUR

	Other			Operating divisions, total	Consolidation	Group
	Local GAAP	Reconciliation	IFRS			
External revenue	189	-	189	29,758,104	- 7,214,881	22,543,223
Internal revenue	355,347	-	355,347	1,637,566	- 1,637,566	-
Total sales revenue	355,536	-	355,536	31,395,670	- 8,852,447	22,543,223
Total operating revenue	362,990	3,078	366,067	34,081,175	- 4,523,440	29,557,735
Cost of materials and services	- 3,057	-	- 3,058	- 12,668,327	313,916	- 12,354,411
Personnel expenses	- 161,468	-	- 161,468	- 8,870,133	16,422	- 8,853,712
Other operating expenses	- 359,106	- 664	- 359,770	- 5,751,848	1,000,827	- 4,751,021
EBITDA	- 160,641	2,414	- 158,227	6,790,867	- 3,192,276	3,598,591
Depreciation, amortisation and impairment losses	- 1,715	-	- 1,715	- 3,272,283	102,799	- 3,169,484
EBIT	- 162,356	2,414	- 159,942	3,518,584	- 3,089,477	429,107
Result from equity accounted investments	-	-	-	-	- 4,903	- 4,903
Financial income	177	-	177	38,319	- 37,729	590
Financial expenses	- 22,472	- 843	- 23,315	- 1,095,461	36,039	- 1,059,421
EBT	- 184,653	1,571	- 183,082	2,461,441	- 3,096,068	- 634,627
FY 2015 investments	25,511	-	25,511	10,671,520	- 379,888	10,291,631
Assets 31.12.2015	214,247	618	214,864	47,569,387	- 5,643,765	41,925,622
Non-current assets 31.12.2015	28,454	- 187	28,267	28,890,383	- 427,357	28,463,027
Equity accounted investments	-	-	-	-	370,097	370,097
Liabilities 31.12.2015	510,674	- 6,230	504,443	30,207,444	1,726,469	31,933,913
FY 2015 employees	3	-	3	212	-	212

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

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 2015 financial year, three 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 4,237,958, EUR 3,466,942 and EUR 2,642,322 were generated with these customers. In the 2014 financial year, va-Q-tec AG and va-Q-tec UK Ltd. had four customers whose share of revenue accounted for more than 10% of total consolidated revenue. The corresponding sales revenues amounted to EUR 5,427,375, EUR 2,759,314, EUR 2,043,732 and EUR 1,991,331.

The revenues are distributed geographically as follows:

EUR	2015	2014
Germany	7,566,624	8,157,836
Other EU countries	6,962,560	4,917,205
Other	8,014,039	5,263,152
Group, total	22,543,223	18,338,193

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 7,411,292 (previous year: EUR 6,428,549) were generated with products (vacuum insulation panels and individually sold heat storage components) in the financial year under review. The Group generated EUR 5,253,947 of sales revenue with systems (thermal packaging and related components) in the reporting year (previous year: EUR 8,019,431). Sales revenues of EUR 9,395,006 were generated from services in the financial year under review (previous year: EUR 3,058,479). Other sales revenues amounted to EUR 482,978 in the financial year (previous year: EUR 831,734).

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)	31.12.2015	31.12.2014
EUR		
Group, total	967,263	409,087
due within one year	442,812	333,179
due between one and five years	503,877	75,908
due after five years	20,574	-

Obligations of EUR 110,000 arising from order commitments for property, plant and equipment continue to exist as of the reporting date (31 December 2014: EUR 0).

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 options, 58,934 were vested as of the reporting date (previous year: 35,361).

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 2015, 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 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 33.4% (previous year: 33.2% interest), Cleantech Europe II S.à.r.L., Luxembourg, represents a related company with significant influence. As associate company of va-Q-tec, Sumteq GmbH, Cologne, is also a related company. As of the reporting date, no open receivables or payment obligations with related companies existed. An equity investment in Sumteq GmbH, Cologne, Germany, of EUR 375,000 was made in the reporting period.

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	until 31.10.2015
Winfried Klar	since 20.03.2013
Uwe Krämer	since 01.10.2015
Dr. Eberhard Kroth	since 20.03.2013

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

Management Board compensation

EUR	2015	2014
Short-term employee benefits	542,663	474,585
Post-employment benefits	21,868	20,400
Total Management Board compensation	564,531	494,985

Compensation totalling EUR 564,531 was paid to the Management Board in 2015 (previous year: EUR 494,985). 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 21,868 (previous year: EUR 20,400) 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 2015, two Management Board members had personal guarantees amounting to EUR 612,786 outstanding to Thüringer Aufbaubank (31 December 2014: 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 121,387 was granted to the Supervisory Board members for the 2015 financial year (previous year: EUR 85,405). 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 20,486 (previous year: EUR 2,659).

As of 31 December 2015, this Supervisory Board compensation generates EUR 52,093 of payment obligations for the company (31 December 2014: EUR 25,733).

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 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 115,382 (previous year: EUR 44,040) comprise the following amounts:

EUR	2015	2014
Financial statements audit	47,580	28,983
Other certification services	7,696	-
Tax advisory services	22,406	11,410
Other services	37,700	3,647

Würzburg, 25 May 2016

va-Q-tec AG

The Management Board

Dr. Joachim Kuhn

Dr. Roland Caps

Christopher Hoffmann