

Q1 2024 Report

va-Q-tec reports on business performance in the first three months of 2024

Würzburg, 31 May 2024 va-Q-tec AG, a pioneer of highly efficient products and solutions in the area of thermal insulation (so-called super thermal insulation) and temperature-controlled supply chains (so-called TempChain logistics), reports a 6 % year-on-year reduction in revenues to EUR 25.7 million in the first quarter of 2024 (Q1 2023: EUR 27.2 million). In an economic environment in Germany and Europe that continues to stagnate and is highly unsettled by energy policy in the heating and air conditioning systems area, numerous customers of va-Q-tec AG are reporting lower levels of business activity. This is directly reflected in the revenue growth reported by va-Q-tec AG. In this context, the company has taken considerable measures to reduce personnel costs and other operating expenses worldwide in order to adjust the cost structure to reflect the lower revenue and earnings expectations, and in order to significantly enhance profitability. These measures were already exerting a very positive effect in the first quarter of 2024. Adjusted earnings before interest, tax, depreciation and amortization (EBITDA) in the first quarter of 2024 amounted to EUR 5.2 million, significantly higher than in the previous year (Q1 2023: EUR 1.8 million), and equivalent to an adjusted EBITDA margin of 17 % in relation to total income and of 20 % in relation to revenue. Both of these margins stood at 6 % in the same period of the previous year.

<i>kEUR</i>	Q1 2024	Q1 2023
Revenues	25,668	27,177
Total income	30,080	31,165
Adjusted earnings before interest, tax, depreciation and amortization (adjusted EBITDA)	5,205	1,765
<i>Adjusted EBITDA margin on total income</i>	<i>17 %</i>	<i>6 %</i>
<i>Adjusted EBITDA margin on revenues</i>	<i>20 %</i>	<i>6 %</i>

The three business divisions of va-Q-tec AG, Services, Systems and Products, report the following trends: the Services division, which comprises the container and box rental business for the transport of temperature-sensitive goods, mainly from the pharmaceutical and biotech sectors, recorded year-on-year constant revenues of kEUR 12.2 in the first quarter of 2024. With revenues of EUR 7.5 million in the first quarter of 2024, the Systems division (sale of thermal packaging systems) also remained almost constant (-1 %) compared to the previous year (Q1 2023: EUR 7.6 million). By contrast, the Products division (sales of vacuum insulation panels and phase change materials) recorded a more significant year-on-year reduction in revenues of 17 % to EUR 5.8 million in the first quarter of 2024 (Q1 2023: EUR 7.0 million).

At kEUR -3,138, operating cash flow in the first quarter of 2024 was kEUR 618 lower than in the same period of the previous year (Q1 2023: kEUR -2,522). Adjusted for the one-off costs for the measures to enhance profitability as well as the transaction costs of kEUR 4,229 in the first quarter of 2024, operating cash flow would have been positive at kEUR 1,091 in the first

quarter of 2024 despite a significant increase in working capital (Q1 2023: kEUR 1,775). Further, less the cash flow from investing activities, it would have led to a slightly positive free cash flow of kEUR 164, whereas free cash flow in the same period of the previous year was still negative at kEUR -410.

Consolidated income statement (IFRS | unaudited)

<i>kEUR</i>	Q1 2024	Q1 2023
Revenues	25,668	27,177
Change in inventories	2,438	1,106
Work performed by the company and capitalized	676	1,378
Other operating income	1,296	1,504
Total income	30,080	31,165
Cost of materials (including purchased services)	-12,533	-13,253
Gross profit	17,547	17,912
Personnel expenses	-10,423	-9,932
Other operating expenses	-5,465	-7,328
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,659	652
Depreciation, amortization and impairment losses	-4,287	-3,659
Operating result (EBIT)	-2,628	-3,007
Finance income	9	17
Finance expenses	-876	-796
Net financial result	-867	-779
Earnings before tax (EBT)	-3,494	-3,786
Income tax	22	-303
Consolidated net result for the period	-3,472	-4,089

Consolidated statement of financial position (IFRS | unaudited)

Assets

<i>kEUR</i>	31/03/2024	31/12/2023
Non-current assets		
Intangible assets	5,285	5,455
Property, plant and equipment	75,360	77,943
Investment property	1,020	1,020
Contract assets	135	136
Other financial assets	6,977	8,616
Other non-financial assets	2,005	1,824
Deferred tax assets	1,863	1,372
Total non-current assets	92,645	96,366
Current assets		
Inventories	18,296	16,761
Trade receivables	9,591	8,161
Other financial assets	2,514	2,086
Current tax assets	181	164
Other non-financial assets	4,440	2,495
Cash and cash equivalents	12,179	17,090
Total current assets	47,200	46,757
Total assets	139,846	143,123

Consolidated statement of financial position (IFRS | unaudited)

Equity and liabilities

<i>kEUR</i>	31/03/2024	31/12/2023
Equity		
Issued share capital	14,757	14,757
Treasury shares	-54	-54
Additional paid-in capital	87,557	87,557
Cumulative other comprehensive income	-97	335
Retained earnings	-55,169	-51,696
Total equity	46,994	50,899
Non-current liabilities and provisions		
Provisions	182	159
Liabilities from bonds issued	25,345	26,744
Bank borrowings	16,754	19,777
Other financial liabilities	5,260	7,764
Other non-financial liabilities	4,864	4,885
Total non-current liabilities and provisions	52,405	59,329
Current liabilities and provisions		
Provisions	2,826	1,354
Liabilities from bonds issued	-	-
Bank borrowings	8,173	6,062
Other financial liabilities	10,787	8,075
Liabilities from contracts with customers	1,873	1,778
Trade payables	5,996	6,421
Tax liabilities	-	62
Other non-financial liabilities	10,792	9,143
Total current liabilities and provisions	40,447	32,895
Total equity and liabilities	139,846	143,123

Consolidated statement of cash flows (IFRS | unaudited)

<i>kEUR</i>	Q1 2024	Q1 2023
Cash flow from operating activities		
Consolidated net result	-3,472	-4,089
Current income taxes recognized in the income statement	370	187
Income taxes paid	-339	-4
Net finance expenses recognized in the income statement	867	779
Interest received	5	17
Interest paid	-145	-505
Amortization of contract assets	5	1
Depreciation, amortization and impairment losses	4,287	3,626
Gain/loss on the disposal of non-current assets	-1,265	-362
Decrease (increase) in other assets	-24	3,152
Increase (decrease) in other liabilities	1,663	-1,650
Increase (decrease) in provisions	1,495	49
Other non-cash items	-3,300	-901
Cash flow from operating activities before working capital changes	146	300
Decrease (increase) in inventories	-1,310	-2,129
Decrease (increase) in trade receivables	-1,416	542
Increase (decrease) in trade payables	-557	-1,235
Net cash flow from operating activities	-3,138	-2,522
Cash flow from investing activities		
Payments for investments in intangible assets	-	-301
Proceeds from the disposal of property, plant and equipment	208	490
Payments for investments in property, plant and equipment	-1,131	-2,358
Proceeds from the disposal of non-current assets	-	-
Payments for investments in contract assets	-4	-16
Net cash flow from investing activities	-927	-2,185
Cash flow from financing activities		
Proceeds from bank loans	-325	13,458
Repayments of bank loans	-1,222	-7,783
Payments for lease liabilities	676	-633
Net cash flow from financing activities	-871	5,042
Change in cash and cash equivalents before exchange rate effects	-4,936	335
Effective of exchange rate changes on cash and cash equivalents	25	-131
Net change in cash and cash equivalents	-4,911	204
Cash and cash equivalents at the start of period	17,090	9,381
Cash and cash equivalents at end of period	12,179	9,585

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About va-Q-tec

va-Q-tec is a pioneer in highly efficient products and solutions in the area of thermal insulation and TempChain logistics. The company develops, produces and markets highly efficient and therefore thin vacuum insulation panels (VIPs) for insulation, as well as phase change materials (PCMs) for reliable and energy-efficient temperature controlling. Using this key thermal technology, va-Q-tec manufactures passive thermal packaging systems (containers and boxes) which, depending on type, can maintain constant temperatures for up to 200 hours without the need for external energy. In order to implement temperature-sensitive logistics chains, va-Q-tec – within a global partner network – operates a fleet of rental containers and boxes meeting high thermal protection standards. Along with Healthcare & Logistics as the main market, va-Q-tec addresses the following further markets: Appliances & Food, Technics & Industry, Building, and Mobility. The high-growth company, which was founded in 2001, is based in Würzburg, Germany.

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

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