Non-binding Convenience Translation

CONTRACT REPORT

JOINT REPORT

of the

management board of
va-Q-tec AG,
Wuerzburg,

and the

managing board of
Fahrenheit AcquiCo GmbH,
Frankfurt am Main,

pursuant to Sec. 293a of the German Stock Corporation Act
about the

Domination and Profit and Loss Transfer Agreement
between

va-Q-tec AG,
Wuerzburg,

and

Fahrenheit AcquiCo GmbH,
Frankfurt am Main

14 July 2023

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Annex 5: Valuation Report of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft dated 13 July 2023 on the determination of the enterprise value of va-Q-tec AG as of 29 August 2023

The management board of va-Q-tec AG with its registered office in Wuerzburg, registered with the commercial register of the local court (*Amtsgericht*) of Wuerzburg under HRB 7368, ("**va-Q-tec**", together with the subsidiaries of va-Q-tec within the meaning of Sec. 17 of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**") "**va-Q-tec Group**") and the managing board of Fahrenheit AcquiCo GmbH with its registered office in Frankfurt am Main, registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 129025, ("**Fahrenheit**") jointly submit the following report pursuant to Sec. 293a AktG ("**Contract Report**") on the domination and profit and loss transfer agreement ("**Agreement**") to be entered into between Fahrenheit as the controlling company and the profit receiving company and va-Q-tec as the controlled company and profit transferring company (together the "**Contracting Parties**").

1. INTRODUCTION

Fahrenheit is a holding company indirectly majority-owned by fund companies of the so–called EQT X Fund (the fund companies belonging to this fund together the "**EQT X Fund**"), which in turn are managed and controlled by affiliates of EQT AB, a public limited liability company under the laws of Sweden with registered office in Stockholm, Sweden, and registered with the Swedish Companies Register under number 556849-4180 ("**EQT AB**", and together with EQT AB's subsidiaries within the meaning of Sec. 17 AktG but excluding the va-Q-tec Group, "**EQT**" or "**EQT Group**"), within the meaning of Sec. 17 AktG.

On 13 December 2022, Fahrenheit published its decision to make a voluntary public takeover offer to all shareholders of va-Q-tec ("**va-Q-tec Shareholders**") to acquire all no-par value registered shares, each with a pro rata amount of the share capital of EUR 1.00 of va-Q-tec ("**va-Q-tec Shares**") against a cash consideration in the amount of EUR 26.00 for each va-Q-tec Share ("**Takeover Offer**").

The Takeover Offer has been made on the basis of a business combination agreement ("**BCA**") entered into on 13 December 2022 by va-Q-tec, Fahrenheit and its direct parent company, Fahrenheit HoldCo S.à r.l., a limited liability company (*société à responsabilité limitée*) under the laws of the Grand Duchy of Luxembourg with registered office at 51A Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés Luxembourg*) under number B 273.090 ("**Fahrenheit HoldCo**").

The Takeover Offer has been made by Fahrenheit in partnership with certain members of va-Q-tec's founding families around Dr. Joachim Kuhn (founder and CEO) and Dr. Roland Caps (founder and former Head of Research and Development), having a significant participation in va-Q-tec, holding directly 3,064,635 va-Q-tec Shares (corresponding to 22.84% of all va-Q-tec Shares issued by va-Q-tec at that time) ("**Participating Family Shareholders**"). Thereto, the Participating Family Shareholders agreed in a partnership agreement entered into with Fahrenheit and Fahrenheit HoldCo on 13 December 2022 (together with an amendment agreement dated 6 July 2023, the "**Partnership Agreement**") – subject to settlement of the Takeover Offer – to participate in the transaction with a reinvestment of the majority of their participation in va-Q-tec.

On 16 January 2023, Fahrenheit published the Takeover Offer. The acceptance period of the Takeover Offer ended on 16 February 2023. The additional acceptance period of the Takeover Offer ended on 7 March 2023. Until the end of the additional acceptance period, the Takeover Offer was accepted for 8,039,185 va-Q-tec Shares, corresponding to 59.93% of the voting rights and registered share capital of va-Q-tec at that time. The Takeover Offer was completed on 6 July 2023, and Fahrenheit acquired the 8,039,185 va-Q-tec Shares tendered in the Takeover Offer.

Also on 6 July 2023, the Participating Family Shareholders transferred on the basis of the Partnership Agreement by way of a contribution 1,588,984 va-Q-tec Shares (the "**Contributed Family Shares**") to Fahrenheit (the "**Roll-over**"). This contribution was made partly against a cash consideration by Fahrenheit in the amount of EUR 26.00 per va-Q-tec Share and partly – with respect to a total of 1,050,522 Contributed Family Shares – against issuance of new shares in Fahrenheit to the Participating Family Shareholders. Since then, a total of 1,475,651 va-Q-tec Shares (corresponding to 10% plus one share of all currently issued 14,756,500 va-Q-tec Shares) are still directly held by the Participating Family Shareholders (the "**Retained Family Shares**"). This ensures that Fahrenheit will not reach or exceed the threshold of 90% of the share capital of va-Q-tec through future acquisitions of further va-Q-tec Shares from other shareholders and that such acquisitions will therefore not trigger any real estate transfer tax liability with respect to the domestic real property of va-Q-tec (cf. Sec. 8.2). The Retained Family Shares and additional 400,000 va-Q-tec Shares held by a family shareholder not being a party to the Partnership Agreement are subject to a voting pooling agreement with Fahrenheit, pursuant to which Fahrenheit controls the exercise of voting rights from these in total 1,875,651 va-Q-tec Shares. Under the Partnership Agreement, the relevant Participating Family Shareholders are obligated – and, subject to certain conditions, also entitled – at the request of Fahrenheit to contribute the Retained Family Shares, with the exception of only one va-Q-tec Share (i.e. a total of 1,475,650 va-Q-tec Shares), together with any Compensation received until then on these va-Q-tec Shares pursuant to Sec. 4 of the Agreement in exchange for the issuance of new shares in Fahrenheit into Fahrenheit. Should the respective Participating Family Shareholders also acquire the aforementioned 400,000 va-Q-tec Shares of the other family shareholder, these va-Q-tec Shares will be included in the aforementioned contribution obligation or contribution right.

In addition, va-Q-tec increased its share capital by way of a capital increase ("**Capital Increase**") from authorized capital with simplified exclusion of subscription rights from originally EUR 13,415,000 to EUR 14,756,500 by issuing 1,341,500 new va-Q-tec Shares at an issue price in cash in the amount of EUR 26.00 per new va-Q-tec Share and in this context exclusively admitted Fahrenheit as subscriber of the new va-Q-tec Shares, which for its part has committed itself in the BCA to take over the new va-Q-tec Shares and has subscribed for them after the settlement of the Takeover Offer on 7 July 2023. The total issue amount of EUR 34,879,000.00 was paid in by Fahrenheit on 10 July 2023. The implementation of the Capital Increase was registered with the commercial register of va-Q-tec on 11 July 2023.

As of the date of signing this Contract Report, Fahrenheit thus holds a direct participation of 10,969,669 va-Q-tec Shares (corresponding to 74.34% of all currently issued 14,756,500 va-Q-tec Shares) and controls the exercise of voting rights from a further total of 1,875,651 va-Q-tec Shares (corresponding to 11.00% of all currently issued 14,756,500 va-Q-tec Shares) via voting pooling agreements. The total number of va-Q-tec Shares held by Fahrenheit and from which voting rights are attributable to it via voting pooling agreements therefore amounts to 12,845,320 va-Q-tec Shares (corresponding to 87.05% of all currently issued 14,756,500 va-Q-tec Shares) as of the date of signing of this Contract Report.

In addition, Fahrenheit published on 30 June 2023 its decision to make a delisting offer pursuant to Sec. 10 (1) sentence 1 of the German Takeover Act ("**WpÜG**") in conjunction with Sec. 39 (2) sentence 3 no. 1 of the German Stock Exchange Act ("**BörsG**") to the va-Q-tec Shareholders at an intended offer price of EUR 26.00 per va-Q-tec Share (the "**Delisting Offer**"). This decision was made on the basis of a delisting agreement entered into on the same day between va-Q-tec and Fahrenheit (the "**Delisting Agreement**"). In the Delisting Agreement, Fahrenheit agreed to va-Q-tec to submit the Delisting Offer to enable an application for revocation of the admission to trading on the regulated market of the Frankfurt Stock Exchange of the va-Q-tec Shares pursuant to Sec. 39 (2) sentence 3 no. 1 BörsG ("**Delisting**") and va-Q-tec has agreed, subject to, among other things, the review of the offer document for the Delisting Offer, to submit the application required for the Delisting to the Frankfurt Stock Exchange prior to the expiry of the acceptance period for the Delisting Offer.

On 9 December 2022, va-Q-tec announced in an ad hoc announcement that Fahrenheit intends, in connection with the closing of the BCA expected at that time in the short term, to submit to the management board of va-Q-tec a request to initiate negotiations on a domination and profit and loss transfer agreement to be concluded between Fahrenheit as controlling company and va-Q-tec as controlled company after settlement of the Takeover Offer. Fahrenheit then submitted such a request to the management board of va-Q-tec on 13 December 2022. This was announced by va-Q-tec in an ad hoc announcement dated 13 December 2022. Fahrenheit also announced its intention to conclude a domination and profit and loss transfer agreement with va-Q-tec as the controlled company after settlement of the Takeover Offer on 13 December 2022, when it published its decision to make the Takeover Offer.

Subsequently, negotiations were held between Fahrenheit and va-Q-tec on the conclusion and terms of the Agreement. At the joint request of the management board of va-Q-tec and the managing board of Fahrenheit, the Regional Court (*Landgericht*) of Nuremberg-Fuerth, by resolution dated 17 February 2023, and amending resolution dated 23 February 2023, selected and appointed Ebner Stolz GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Holzmarkt 1, 50676 Cologne, as joint expert auditor ("**Contract Auditor**" or "**Ebner Stolz**") to audit the Agreement.

Fahrenheit and va-Q-tec have agreed on a final draft version of the Agreement on 14 July 2023 (attached to this Contract Report as **Annex 2**). Where reference is made in this Contract Report to parts and contents of the Agreement, the draft version of the Agreement is always meant and it is not implied thereby that the Agreement has already been concluded.

The supervisory board of va-Q-tec approved the draft of the Agreement at its meeting on 14 July 2023. At the time of its resolution, the supervisory board had at its disposal the draft of the Agreement, the draft of this Contract Report, the signed version of the valuation report (**"Valuation Report**") of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Eschborn ("**Valuation Expert**" or "**EY**"), dated 13 July 2023 as well as the signed version of the report of the Contract Auditor on the audit of the Agreement dated 14 July 2023 ("**Audit Report**").

According to the Agreement, va-Q-tec places the management of its company under the control of Fahrenheit and undertakes to transfer its entire profit to Fahrenheit. Under the Agreement, Fahrenheit undertakes to compensate va-Q-tec for any net loss for the year and to pay appropriate compensation to the outstanding va-Q-tec Shareholders and, at the request of an outstanding va-Q-tec Shareholder, to acquire the latter's va-Q-tec Shares in return for appropriate severance payment. The respective point in time from which the aforementioned management control, the profit transfer and loss compensation obligation and the obligation to make an appropriate severance payment first apply is set out in more detail in the Agreement.

The Agreement requires the approval of the general meeting of va-Q-tec and the approval of the shareholders' meeting of Fahrenheit. The approval resolution of the general meeting of va-Q-tec is to be adopted at the ordinary general meeting of va-Q-tec on 29 August 2023. The shareholders' meeting of Fahrenheit is expected to approve the draft of the Agreement before the general meeting of va-Q-tec. Pursuant to Sec. 294 (2) AktG, the Agreement shall become effective upon registration with the commercial register of va-Q-tec.

2. THE CONTRACTING PARTIES

2.1 va-Q-tec and va-Q-tec Group

(a) Overview

va-Q-tec is a leading global provider of highly efficient products and complete solutions in the field of vacuum insulation and TempChain logistics.

The va-Q-tec Group is divided into the Products, Systems and Services divisions. va-Q-tec employed an average of around 616 people across the va-Q-tec Group in the financial year 2022 and, including the members of the management board, managing directors, trainees and interns within the va-Q-tec Group, an average of 649 employees.

In the financial year 2022, va-Q-tec Group generated revenues of EUR 111.83 million and an operating result (adjusted EBITDA) of EUR 15.69 million. The majority of the va-Q-tec Group's revenues are generated in European markets.

(b) **Legal form, registered seat, financial year and object of va-Q-tec**

va-Q-tec is a German stock corporation with its registered office in Wuerzburg, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Wuerzburg under HRB 7368. va-Q-tec's financial year is the calendar year.

The statutory object of va-Q-tec is the development, production and distribution of innovative insulation components and systems, in particular vacuum insulation systems, heat and cold storage components and system solutions with these components, the development, production and distribution of software as well as electronic measuring devices for the measurement of physical quantities as well as the rental of thermal packaging and thermal consulting and development for this purpose.

va-Q-tec may, itself or through its subsidiaries, conduct all businesses which are directly or indirectly suited to serve the purpose of the company. va-Q-tec may establish branches and participate in comparable or similar companies in Germany and abroad, acquire or establish such companies and take over their management as well as conclude inter-company agreements.

(c) **Capital, shareholders and stock exchange trading**

(i) **Share Capital**

The share capital amounts to EUR 14,756,500.00 and is divided into 14,756,500 va-Q-tec Shares.

(ii) **Authorized Capital 2022/1**

The management board is authorized, with the approval of the supervisory board, to further increase the share capital of va-Q-tec by up to a total of EUR 5,366,000.00 (in words: five million three hundred and sixty-six thousand euros) by issuing a total of up to 5,366,000 (in words: five million three hundred and sixty-six thousand) new registered no-par value shares (ordinary shares) against cash contributions and/or contributions in kind on one or more occasions until 1 June 2027 (Authorized Capital 2022/1). The authorization may be used in partial amounts. The management board is authorized, with the approval of the supervisory board, to determine the further content of the share rights and the conditions of the share issue.

In the case of a capital increase against cash contributions, shareholders shall generally be granted subscription rights to the new shares. The new shares are to be subscribed by at least one bank or company within the meaning of Sec. 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. The management board is authorized, with the approval of the supervisory board, to exclude shareholders' statutory subscription rights in the following cases:

- If the new shares are issued in accordance with Sec. 186 (3) sentence 4 AktG against cash contributions at an issue price that is not significantly lower than the stock exchange price of the shares already listed and the proportionate amount of the shares issued in accordance with Sec. 186 (3) sentence 4 AktG with exclusion of subscription rights does not exceed 10% of the share capital at the time this authorization is registered with the commercial register or – if this amount is lower – at the respective time of exercise of the authorization. The following shall be counted towards the limit of 10% of the share capital:

    - shares issued or to be issued to service bonds with conversion or option rights or conversion obligations, insofar as and to the extent that the bonds are issued during the term of this authorization in analogous application of Sec. 186 (3) sentence 4 AktG with exclusion of subscription rights, and

    - treasury shares sold during the term of this authorization in analogous application of Sec. 186 (3) sentence 4 AktG, excluding shareholders' subscription rights;

- in the case of capital increases against contributions in kind, in particular in order to be able to offer the new shares to third parties when acquiring companies, parts of companies or interests in companies;

- to exclude fractional amounts from the subscription right and

- in order to grant holders of conversion or option rights issued by the company or companies in which the company directly or indirectly holds a majority interest subscription rights to new shares to the extent to which they would be entitled after exercising the conversion or option rights or after fulfillment of conversion obligations in order to protect against dilution.

- The authorization for Authorized Capital 2022/1 is to be cancelled at the ordinary general meeting of va-Q-tec on 29 August 2023 and replaced by a new authorization for new authorized capital.

(iii) **Conditional Capital 2020/1**

The share capital is conditionally increased by up to EUR 6,500,000.00 (in words: six million five hundred thousand euros) by issuing up to 6,500,000 (in words: six million five hundred thousand) new no-par value registered shares (ordinary shares) with a pro rata amount of the share capital of EUR 1.00 (in words: one euro) each (Conditional Capital 2020/1). The conditional capital increase serves to grant shares upon exercise of conversion or option rights or upon fulfillment of conversion obligations to the holders or creditors of the convertible bonds, bonds with warrants and/or income bonds (or combinations of these instruments) issued on the basis of the authorization resolution of the general meeting of 14 August 2020 under agenda item 7 lit. b) (together "**Bonds**").

The new shares shall be issued at the conversion or option price to be determined in each case in accordance with the relevant authorization. The conditional capital increase shall only be carried out to the extent that the holders of conversion or option rights exercise their conversion or option rights or fulfill conversion obligations arising from such Bonds and to the extent that no cash settlement is granted or treasury shares are used for servicing. The new shares – insofar as they are created by the beginning of the annual general meeting of the company – shall participate in profits from the beginning of the preceding financial year, otherwise from the beginning of the financial year in which they are created.

The management board is authorized, with the approval of the supervisory board, to determine the further details of the implementation of this conditional capital increase.

The supervisory board is authorized to amend or cancel clause 6.5 of the articles of association in accordance with the respective utilization of the conditional capital and after expiry of all option or conversion periods, and to make all other related amendments to the articles of association that only affect the wording.

(iv) **Treasury Shares**

At the time of signing the Contract Report, va-Q-tec holds 13,566 treasury shares (corresponding to 0.09% of all currently issued 14,756,500 va-Q-tec Shares). There is currently no authorization by the general meeting of va-Q-tec to acquire treasury shares.

(v) **Shareholders**

At the time of signing the Contract Report, Fahrenheit holds a total of 10,969,669 va-Q-tec Shares. This corresponds to a participation of

74.34% in va-Q-tec's share capital. Furthermore, Fahrenheit is attributed further voting rights from a total of 1,875,651 va-Q-tec Shares. Therefore at the time of signing this Contract Report, Fahrenheit has voting rights from a total of 12,845,320 va-Q-tec Shares (corresponding to 87.05% of all currently issued 14,756,500 va-Q-tec Shares).

(vi) **Stock exchange trading**

The va-Q-tec Shares are – until the planned revocation of the admission in connection with the Delisting Offer – admitted to trading on the regulated market with additional post-admission obligations on the Frankfurt Stock Exchange (Prime Standard) under ISIN DE0006636681 and WKN663668 and are traded on the electronic trading system XETRA of Deutsche Börse AG, Frankfurt am Main, and in the open market on stock exchanges in Berlin, Düsseldorf, Hamburg, Munich and Stuttgart as well as via Tradegate.

(d) **Management board and supervisory board of va-Q-tec**

(i) **Management board**

Pursuant to Sec. 8 (1) of the articles of association, the management board of va-Q-tec comprises one or more persons as determined in more detail by the supervisory board.

The management board of va-Q-tec consists of the following persons:

- Dr. Joachim Kuhn
  Chief Executive Officer (CEO)
- Stefan Döhmen
  Chief Finance Officer (CFO).

In accordance with Sec. 9 (1) of the articles of association, va-Q-tec shall be represented by one member of the management board as long as only one management board member is appointed. If several members of the management board have been appointed, va-Q-tec shall be represented by two members of the management board jointly or by one member of the management board together with an authorized signatory (*Prokurist*). In exercise of the authorization pursuant to Sec. 9 (2) of the articles of association, the supervisory board has granted both members of the management board sole power of representation.

(ii) **Supervisory board**

In accordance with Secs. 95 sentence 2, 96 (1) AktG and Sec. 11 (1) of the articles of association, the supervisory board of va-Q-tec has six members. The supervisory board of va-Q-tec consists of the following six persons:

- Dr. Gerald Hommel
  Chairman of the Supervisory Board
- Dr. Barbara Ooms-Gnauck
  Deputy chairwoman of the Supervisory Board
- Uwe Andreas Krämer
- Winfried Klar
- Dr. Eberhard Kroth
- Dr. Burkhard Wichert

(e) **Legal structure of the va-Q-tec Group and significant shareholdings**

At the end of the financial year 2022, the va-Q-tec Group comprised a total of thirteen companies, consisting of the German parent company va-Q-tec and twelve foreign subsidiaries.

The subsidiaries of va-Q-tec at the end of financial year 2022 are set out in the following overview:

Subsidiary	**Seat**
va-Q-tec Ltd.	Rochester, United Kingdom
va-Q-tec Inc.	East Rutherford, NJ, United States of America
va-Q-tec Ltd.	Joong-gu, Incheon, Republic of Korea
va-Q-tec Switzerland AG	Zurich, Switzerland
va-Q-tec Japan G.K.	Tokyo, Japan
va-Q-tec Uruguay S.A.	Montevideo, Uruguay
va-Q-tec SG Pte. Ltd.	Singapore, Singapore
va-Q-tec India Ltd.	New-Delhi, India
va-Q-tec do Brasil Ltda.	Sao Paulo, Brazil
va-Q-tec Shanghai Ltd.	Shanghai, China
va-Q-tec Austria GmbH	Salzburg, Austria
va-Q-tec France SARL	Paris, France

As of 31 December 2022, va-Q-tec held 100% of the shares in each of the twelve foreign subsidiaries.

A list of the shareholdings of the va-Q-tec Group as of 31 December 2022 in accordance with Sec. 313 (2) of the German Commercial Code (*Handelsgesetzbuch*) ("**HGB**") is attached to this Contract Report as **Annex 1**.

(f) **Business activities of the va-Q-tec Group**

va-Q-tec is a leading global technology provider of highly efficient products and comprehensive solutions in the field of vacuum insulation and TempChain logistics. The business activities of va-Q-tec Group are divided into three business units, the Products business unit, the Systems business unit and the Services business unit.

(i) **Business unit Products**

In the business unit "Products", va-Q-tec develops, produces and sells energy – efficient, thin vacuum insulation panels ("**VIPs**") for insulation as well as thermal energy storage components (Phase Change Materials "**PCMs**") for the reliable and energy – efficient storage of thermal energy. VIPs are high – performance insulation panels suitable for space – saving and energy – efficient thermal insulation. These operate on the principle of vacuum as a thermal insulator. PCMs are cold and heat storage materials that absorb and store thermal energy. By using different storage materials such as kerosene or salt solutions and gels made from them, a wide variety of temperature ranges between -70°C and +70°C can be achieved.

In the financial year 2022, the business unit Products accounted for revenues of EUR 22.3 million.

(ii) **Business unit Systems**

In the business unit "Systems", the va-Q-tec Group develops, produces and sells passive thermal packaging, containers and boxes by combining VIPs and PCMs, which can constantly maintain a defined temperature range for up to 200 hours without the supply of external energy.

In the financial year 2022, the business unit Systems accounted for sales of EUR 35.1 million.

(iii) **Business unit Services**

In order to realize temperature – sensitive logistics chains, the va-Q-tec Group operates a fleet of rental containers and boxes in its business unit "Services", which maintain TempChains securely worldwide. Since 2011, the subsidiary in the UK has been operating a fleet of rental containers produced inhouse, with which temperature – sensitive shipments can be carried out more cost – efficiently and securely compared to actively refrigerated containers. For this purpose, va-Q-tec has built up a comprehensive global partner network consisting of airlines, forwarders and service partners, such as Lufthansa, Turkish Cargo and SWISS. Since 2015, va-Q-tec has also been operating a business for thermal shipment boxes the company produces itself. Furthermore, va-Q-tec provides accompanying services in the area of preconditioning, preparation and shipment preparation of thermal packaging systems for well – known customers such as Kühne & Nagel and Swiss Post. Such integrated and rental-based shipment solutions from a one-stop-shop are increasingly demanded from the healthcare industry.

In the financial year 2022, the business unit Services accounted for revenues of EUR 52.1 million.

(g) **Business development and earnings situation of the va-Q-tec Group**

(i) **Key financial figures for financial years 2020, 2021 and 2022**

The following information has been extracted from the audited consolidated financial statements for the respective financial years ending 31 December 2020, 2021 and 2022.

	2022	**2021**[1]	**2020**[2]
	in EUR million		
Balance			
Balance sheet sum	142.5	145.5	119.3
Non-current assets	97.7	96.6	81.5
Current assets	44.8	48.9	37.8
Non-current liabilities	35.6	58.5	57.6
Current liabilities	68.2	37.0	21.3
Equity	38.7	50.0	40.3
Earnings			
Total turnover	111.8	104.1	72.1
Gross profits	76.1	72.1	51.4
EBITDA	7.7	17.8	11.4
EBIT	(7.3)	4.1	(0.9)
EBT	(9.3)	1.9	(1.5)

[1] The figures shown in the table include adjustments in accordance with IAS 8. With regard to these adjustments, reference is made to the detailed explanations in Sec. 6.3 of the notes to the annual report 2022.

[2] The figures shown in the table include adjustments in accordance with IAS 8. With regard to these adjustments, reference is made to the detailed explanations in Sec. 6.3 of the notes to the annual report 2022.

Group result	(11.7)	1.4	(1.4)
Cash flow			
Net cash flow from operating results	9.7	3.3	7.4
Net cash flow from investing activities	(8.7)	(24.2)	(11.8)
Net cash flow from financing activities	(1.6)	13.6	14.1
Share and employees			
	Unit as specified		
Number of shares	13,415,000	13,415,000	13,089,502
Earnings per share	EUR (0.87)	EUR 0.11	EUR (0.11)
Employees[3] annual average	616	591	489

For further information on the company and the business development of va-Q-tec, please also refer to its annual reports, which are available on the internet at:

https://ir.va-q-tec.com/websites/vaqtec/German/403/finanzberichte.html.

(ii) **Business development and earnings situation in financial year 2022**

In the financial year 2022, va-Q-tec, in order to be able to exploit its potential worldwide, continued its international expansion and commenced business activities in China, India and Brazil with three new subsidiaries. Via the subsidiary in China, which was newly established in 2022, the rental and sale of the thermoboxes and containers as well as the services are offered from Shanghai. The expansion of the subsidiary in India, which was already established in 2021, is a result of the strong growth of the pharmaceutical industry based there. With the subsidiaries at the new locations in São Paulo, Brazil, and Paris, va-Q-tec optimizes the availability of TempChain solutions in Latin America and Europe and now has a network of twelve subsidiaries worldwide.

With a major order from the food industry, va-Q-tec also succeeded in expanding the target markets for boxes and containers in the TempChain area in 2022.

The financial year 2022 turned out to be particularly difficult in many respects from the perspective of the management board. Overall,

[3] Excluding board members, managing directors, trainees and interns.

revenues development in the financial year 2022 was characterized by a challenging macroeconomic environment and a year-on-year comparison very much driven by vaccine shipments. With a 7% increase in sales, va-Q-tec grew in the high single-digit percentage range, but on the other hand fell short of its own expectations.

Against the background of the very high comparative base of the previous year, the pace of growth in revenues decreased significantly and the originally forecast revenues range of EUR 115 million to EUR 122 million could not quite be achieved with revenues of EUR 112 million.

Demand for qualified thermal transport solutions for corona vaccines decreased significantly more than announced by business partners and accordingly expected by the management board. The financial year was characterized by considerable fluctuations with the COVID-19 business and, particularly at the end of the year, many forecasts regarding the need for transport for the vaccines did not materialize in the short term, so that their share of total revenues in 2022 was only 16% (previous year 23%). Business outside corona vaccine logistics continued to develop positively but was unable to compensate in the short term for the slowing momentum in the vaccine transport business.

In addition to the weaker than expected growth momentum, earnings also deteriorated significantly against the backdrop of rising input costs due to the war in Ukraine and its consequences, but also in particular due to the non-recurring costs of EUR 6.7 million in connection with the Takeover Offer that are not attributable to operating activities, as well as back payments of EUR 1.3 million for customs and taxes. Unadjusted EBITDA decreased by 57% to TEUR 7,736. The EBITDA margin in relation to sales decreased by nine percentage points to 6%, compared to the original forecast of a constant to slightly increasing EBITDA margin compared to 2021. Unadjusted EBIT was clearly negative at EUR - 7.3 million. Unadjusted EBT was also clearly negative at EUR - 9.3 million.

If these key figures are adjusted for the aforementioned non-recurring costs not attributable to operating activities totaling EUR 8.0 million, va-Q-tec achieved EBITDA of EUR 15.7 million in 2022, which corresponds to a margin of 13% on revenues. Adjusted EBITDA thereafter amounts to EUR 0.7 million and adjusted EBT of EUR - 1.4 million is also significantly better than without the adjustment of the figures.

On a positive note, despite the many challenges mentioned above, the Group succeeded in achieving a significant year-on-year increase in operating cash flow and also positive free cash flow in the past financial year.

(iii) **Outlook**

For the financial year 2023, va-Q-tec expects further sales growth to a revenue range of EUR 120 million to EUR 135 million, also in view of the overall development, which is very difficult to assess with regard to inflation, the Ukraine war and the energy crisis, which has not yet been overcome. For earnings before interest, taxes, depreciation and amortization (EBITDA), va-Q-tec generally expects medium growth compared to the previous year and disproportionate growth relative to revenues for the financial year 2023. Despite possible additional costs and uncertainties due to the current geopolitical turmoil, va-Q-tec expects a significant increase in the EBITDA margin compared to 2022 due to operational economies of scale and a changed product mix with a growing proportion of higher-margin products and services. The forecast for EBITDA does not take into account any additional transaction costs that may be incurred in 2023.

The equity ratio rose well above 40% in the financial year 2023 as a result of the Capital Increase subscribed by Fahrenheit, despite the associated significant increase in total assets.

The number of employees is expected to increase slightly in year 2023 as a result of the international expansion of business.

According to the annual report 2022, the management board of va-Q-tec expects disproportionately high revenue growth compared with the previous year and the target markets, with EBITDA profitability significantly improved compared with 2022.

(h) **Employees**

In the financial year 2022, the va-Q-tec Group employed an average of around 616 employees and, including the members of the management board, managing directors, trainees and interns in the va-Q-tec Group, an average of 649 employees.

(i) **Co-determination**

va-Q-tec is not subject to co-determination. The supervisory board of va-Q-tec is therefore composed exclusively of employer representatives.

2.2 Fahrenheit

(a) Overview

Fahrenheit is a holding company which is majority-owned by fund companies of the EQT X Fund, which are in turn controlled and managed by subsidiaries of EQT AB within the meaning of Sec. 17 AktG.

(b) Legal form, registered office, share capital, financial year and corporate purpose

Fahrenheit is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under German law, with registered office in Frankfurt am Main, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under HRB 129025. The business address of Fahrenheit is: c/o Milbank LLP, Maximilianstraße 15, 80539 Munich, Germany.

The financial year of Fahrenheit is the calendar year.

The share capital of Fahrenheit amounts to EUR 2,363,598.00 and is divided into 2,363,598 shares with a nominal value of EUR 1.00 each.

The corporate purpose of Fahrenheit pursuant to its articles of association is the management of its own assets as well as the acquisition, holding, management and disposal of participations of any kind, in particular, in other companies, in its own name and for its own account, as well as the provision of services to companies affiliated with the company and the financing of (direct/indirect) subsidiaries through equity and/or loans.

(c) Corporate bodies and representation

The managing board (*Geschäftsführung*) of Fahrenheit currently consists of two managing directors (*Geschäftsführer*), Mr. Roman Dominik Brück and Mr. Adi Bikic. Each managing director has the power to represent Fahrenheit alone. Upon effectiveness of the Agreement, the managing board of Fahrenheit is expected to be filled by members of the management board of va-Q-tec.

In addition to the shareholders' meeting, Fahrenheit has an advisory board. The advisory board has – to the extent legally permissible – all competencies which would otherwise rest with the shareholders' meeting. Currently, the following persons are members of the of advisory board of Fahrenheit:

- Dr. Bernd Scheifele (Chairman)
- Jarl Dahlfors
- Winfried Klar
- Dr. Joachim Kuhn

- Matthias Wittkowski

Fahrenheit has neither a supervisory board nor a corporate body comparable to a supervisory board.

(d) **Shareholder and control structure**

At the time of signing this Contract Report, the shareholder and control structure of Fahrenheit substantially is as follows:

- Fahrenheit is controlled by Fahrenheit HoldCo, which holds approximately 90.75% of the share capital of Fahrenheit, thereby holding the majority of the share capital and voting rights. The remainder of in total approximately 9.25% of the share capital in Fahrenheit is held by the Participating Family Shareholders, each of whom is a non–controlling minority shareholder of Fahrenheit.
- Fahrenheit HoldCo is controlled by Fahrenheit TopCo S.à r.l., a limited liability company (*société à responsabilité limitée*) under the laws of the Grand Duchy of Luxembourg with registered office at 51A Boulevard Royal, L 2449 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés Luxembourg*) under number B 273.292 ("**Fahrenheit TopCo**"), holding the majority of shares and voting rights in Fahrenheit HoldCo. Fahrenheit HoldCo has two further shareholders, none of which has a controlling influence over Fahrenheit HoldCo.
- Fahrenheit TopCo is directly and indirectly controlled by various fund entities of the EQT X Fund, which in turn are indirectly controlled by EQT AB within the meaning of Sec. 17 AktG.
- EQT AB itself is publicly listed and does not have a controlling shareholder.

A chart with an overview of the control structure of Fahrenheit is attached to this Contract Report as **Annex 3**.

(e) **Information on EQT**

EQT is a global investment organization. With its Nordic heritage and a global mindset, EQT has a track record of almost three decades of delivering consistent and attractive returns across multiple geographies, sectors and strategies. EQT has investment strategies covering all phases of a business' development, from start-up to maturity. As of 30 June 2023, investment funds belonging to EQT managed assets of approximately EUR 119 billion within the two business segments Private Capital and Real Assets.

(f) **Business activities, employees, formation and strategic objectives**

(i) **Business activities and employees**

The business activity of Fahrenheit is the management of its own assets as well as the provision of services to affiliated companies.

At the time of signing this Contract Report, Fahrenheit directly holds 10,969,669 va-Q-tec Shares, corresponding to approximately 74.34% of the share capital and voting rights in va-Q-tec. This participation was acquired by Fahrenheit as part of the settlement of the Takeover Offer, the Roll–over and the Capital Increase (see above Sec. 1 of this Contract Report). Furthermore, Fahrenheit controls the exercise of voting rights attached to a total of 1,875,651 va-Q-tec Shares, corresponding to approximately 12.71% of the share capital and voting rights in va-Q-tec, through a voting agreement.

Otherwise, Fahrenheit currently does not hold any participations in other companies.

Fahrenheit currently does not have any employees. Employee representations do not exist at Fahrenheit.

(ii) **Formation**

Fahrenheit was formed as a shelf company on 4 October 2022 and registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main, Germany on 25 October 2022 as sotus 861. GmbH. By declaration dated 24 November 2022, the economic re–establishment (*wirtschaftliche Neugründung*) was disclosed to the court and the change of name and corporate purpose of the company was filed with the commercial register. Since 22 December 2022 (registration with the commercial register), Fahrenheit has been operating under its current name, Fahrenheit AcquiCo GmbH.

(iii) **Strategic objectives**

The main economic and strategic objectives pursued by Fahrenheit as majority shareholder of va-Q-tec in cooperation with va-Q-tec and the Participating Family Shareholders with the BCA and the Partnership Agreement, as well as with the acquisition of the participation in va-Q-tec based thereon and the intended conclusion of the Agreement, are to promote and further develop all of the business areas of va-Q-tec including, in particular, through the implementation of the following measures:

- the provision of new equity funding to va-Q-tec under the Capital Increase, which, in the meantime, has already taken place;

- a business combination (the "**Business Combination**") of va-Q-tec's service and systems business for the pharmaceutical sector (the "**Pharma Segment**") with Envirotainer AB with seat in Sollentuna, Sweden ("**Envirotainer**", and together with its subsidiaries the "**Envirotainer Group**", and Envirotainer Group together with the Pharma Segment the "**New Pharma Group"**); and

- the further development of va-Q-tec Group's remaining business in the thermal energy efficiency and thermal boxes area (the "**Products Segment"**) within an independent new company in the legal form of a German limited liability company (*Gesellschaft mit beschränkter Haftung*) having its corporate seat and registered address in Wuerzburg, Germany (the "**New va-Q-tec Entity"**, and together with its subsidiaries the "**New va-Q-tec Group**").

For this purpose, the Products Segment is intended to be transferred by va-Q-tec to the New va-Q-tec Entity, which at this time will be a wholly owned subsidiary of va-Q-tec, by way of a hive-down of assets and liabilities as well as rights and obligations predominantly attributable to the Products Segment (the "**Hive Down**"). Subsequently, va-Q-tec's shareholding in the New va-Q-tec Entity is intended to be sold to an entity held by the shareholders of Fahrenheit (the "**Products AcquiCo**") at fair market value and arm's length conditions (such sale, together with the Hive Down, the "**Carve-Out**"). In connection with the Carve-Out and in accordance with the agreement under the BCA, it is also planned to transfer va-Q-tec's domestic real estate properties to the New va-Q-tec Group.

Following the implementation of the Carve-Out, the Business Combination is intended to be implemented by way of a sale or contribution by the shareholders of Fahrenheit of their entire shareholding in Fahrenheit to Envirotainer Group against a participation in Envirotainer Group at fair market value and arm's length conditions.

Envirotainer, the majority of whose shares are also indirectly held by the EQT X Fund, is a global provider of active temperature control containers and air transport solutions for temperature-sensitive pharmaceuticals, while va-Q-tec serves a complementary market segment for passive temperature control chains. For the financial year 2022, the Envirotainer Group expects a consolidated revenue of the equivalent[4] of approximately EUR 210 million (2021: approximately EUR 162 million) and a consolidated EBITDA of the equivalent of approximately EUR 113 million (2021: approximately EUR 86 million).

[4] At the exchange rate per 4 July 2023 of: 1 SEK = 0.085 EUR

(g) **Net assets and earnings situation of Fahrenheit**

The financial statements of Fahrenheit as of 31 December 2022 still reflect Fahrenheit's financial situation prior to the launch of the Takeover Offer. Accordingly, its assets shown therein mainly consist of bank balances in the amount of the share capital at formation of EUR 25,000 as well as a small VAT refund claim from ongoing administrative expenses charged with VAT. Liabilities from and provisions for ongoing administrative expenses resulted in an annual net loss of approximately EUR 10,000.

Due to the consummation of the Takeover Offer, the Roll-over and the Capital Increase, Fahrenheit has acquired a total of 10,969,669 va-Q-tec Shares, corresponding to approximately 74.34% of the share capital and voting rights in va-Q-tec as of the date of this Contract Report. Assuming that all va-Q-tec Shares acquired are valued at the Offer Price of EUR 26.00 per va-Q-tec Share, Fahrenheit now has financial assets of approximately EUR 285 million plus capitalized transaction costs.

In accordance with the provisions of the Partnership Agreement, the acquisition of the total of 10,969,669 va-Q-tec Shares and the associated transaction costs were fully financed by equity by way of Fahrenheit HoldCo providing Fahrenheit with the cash required for this purpose in the form of cash equity contributions and the Participation Family Shareholders contributing the majority of their Contributed Family Shares to Fahrenheit under the Roll-over against issuance of new shares in Fahrenheit. To the extent the relevant transaction costs are not yet due, they will also be fully financed by cash contributions of Fahrenheit HoldCo in accordance with the provisions of the Partnership Agreement once they fall due. Due to the full equity financing, the acquisition of the 10,969,669 va-Q-tec Shares currently held by Fahrenheit is not associated with any long-term liabilities of Fahrenheit. To the extent the transaction costs cannot be capitalized, they will result in a corresponding financial loss of Fahrenheit in the current financial year, which, however, will not affect the liquidity due to the agreed equity coverage of the transaction costs.

Furthermore, it is intended that the purchase price for the acquisition of additional va-Q-tec Shares by Fahrenheit under the announced Delisting Offer will also be financed by cash provided to Fahrenheit through Fahrenheit HoldCo as shareholder financing.

Fahrenheit's future results will be determined, on the one hand, by the income from Fahrenheit's investment in va-Q-tec and, to a lesser extent, by income from services rendered by Fahrenheit to affiliated companies and, on the other hand, by ongoing administrative expenses (including expenses relating to the preparation and implementation of the Agreement) and, in the current financial year, also by transaction costs from the acquisition of va-Q-tec Shares (including a future acquisition under the Delisting Offer) to the extent they cannot be capitalized.

va-Q-tec has not paid out any dividends in the recent years. As va-Q-tec did not report balance sheet profits (*Bilanzgewinn*) for the past financial year 2022, no dividend resolution will be passed at the shareholders' meeting on 29 August 2023. Similarly, Fahrenheit does currently not intend to resolve on a dividend at the coming shareholders' meetings. However, upon the profit transfer obligation under the Agreement having become effective, which is intended to apply as from the financial year 2025, a transfer of all future profits from va-Q-tec to Fahrenheit will take place. Therefore, Fahrenheit is expected to generate earnings from its participation in va-Q-tec for the first time in relation with the profit transfer for the year 2025.

In the event that the Agreement becomes effective in 2024, Fahrenheit will, however, be required to pay to the outstanding shareholders of va-Q-tec the Guaranteed Dividend contractually agreed pursuant to Sec. 4 (1) of the Agreement for the financial year 2024 and the annual Compensation Payment contractually agreed pursuant to Sec. 4 (2) of the Agreement for the following financial years.

(h) **Financial provision of Fahrenheit to meet its obligations under the domination and profit and loss transfer agreement**

Prior to signing this Contract Report, the management board of va-Q-tec and the managing directors of Fahrenheit have examined whether Fahrenheit will be able to fulfil its payment obligations under the Agreement. Based on the current economic, financial and contractual situation of Fahrenheit, the management board of va-Q-tec and the managing directors of Fahrenheit came to the conclusion that this is the case.

The management board of va-Q-tec and the managing board of Fahrenheit based their conclusion substantially on the following aspects:

The future payment obligations of Fahrenheit under the Agreement consist of the payment of the Guaranteed Dividend or the Recurring Compensation Payment under Sec. 4 of the Agreement, the severance payment under Sec. 5 of the Agreement and, insofar as even relevant, the obligation to compensate losses under Sec. 3 of the Agreement.

(i) **Compensation and severance payment**

The Agreement shall become effective not before 1 January 2024. A severance payment can therefore be claimed not before 2024 and therefore only after settlement of the announced Delisting Offer; accrual of statutory interest on the severance payment pursuant to Sec. 305 (3) sentence 3 AktG will also only commence at the earliest in 2024 when the Agreement becomes effective. Taking into account the contractual provisions regarding their due date, a Guaranteed Dividend or a Recurring Compensation Payment under the Agreement will be payable - as a Guaranteed Dividend for the financial year 2024 of va-Q-tec - at the earliest after the ordinary general meeting of va-Q-tec in 2025.

At the time of signing this Contract Report, a total of 3,773,265 va-Q-tec Shares are held by outstanding shareholders of va-Q-tec (14,756,500 issued va-Q-tec Shares minus (i) 13,566 va-Q-tec Shares held by va-Q-tec as treasury shares and (ii) 10,969,669 va-Q-tec Shares held by Fahrenheit). However, the Participating Family Shareholders who hold the Retained Family Shares, have undertaken in the Partnership Agreement not to accept the severance payment pursuant to Sec. 5 of the Agreement for any of their total 1,475,651 Retained Family Shares. Therefore, the maximum number of va-Q-tec Shares for which financing of the severance payment pursuant to Sec. 5 of the Agreement is required is 2,297,614 va-Q-tec Shares. In addition, the relevant Participating Family Shareholders have undertaken in the Partnership Agreement to contribute all of their Retained Family Shares except one va-Q-tec Share (including any compensation paid until then on such va-Q-tec Shares pursuant to Sec. 4 of the Agreement), to Fahrenheit upon Fahrenheit's request (see Sec. 1 above).

Pursuant to Sec. 5 (1) of the Agreement, Fahrenheit offers to the outstanding shareholders of va-Q-tec a severance payment of EUR 21.80 per va-Q-tec Share (see Sec. 4.5(c)). Accordingly, Fahrenheit's maximum financing requirement for the severance payment – excluding the Retained Family Shares – amounts to EUR 50,087,985.20. This maximum financing requirement will be reduced accordingly if Fahrenheit acquires additional va-Q-tec Shares outside the Agreement, in particular in connection with the announced Delisting Offer.

Pursuant to Sec. 4 of the Agreement, the outstanding shareholders will also receive a Recurring Compensation Payment (for the financial year 2024, if applicable, in the form of a Guaranteed Dividend) in the gross amount of EUR 1.18 per va-Q-tec Share (see Sec. 4.4(d)(i)). Accordingly, the maximum financing requirement of Fahrenheit in respect of the Recurring Compensation Payment during the term of the Agreement – including a Compensation for the Retained Family Shares – amounts to EUR 4,452,452.70 gross per annum (or EUR 4,376,987.40 net according to the currently applicable German corporate tax rate including solidarity surcharge). However, no Recurring Compensation Payment will be payable to any outstanding shareholders of va-Q-tec who exercise their right to sell their va-Q-tec Shares to Fahrenheit against severance payment pursuant to Sec. 5 of the Agreement. The same applies for va-Q-tec Shares acquired by Fahrenheit outside the Agreement, in particular in connection with the announced Delisting Offer or, in the case of the Retained Family Shares, upon their contribution under the Partnership Agreement.

Due to the full equity financing of the va-Q-tec Shares held by Fahrenheit at the time of signing this Contract Report (see Sec. 2.2(g)), Fahrenheit has equity in an amount which exceeds the expected payment obligations of Fahrenheit under Sec. 4 and Sec. 5 of the Agreement by several times. Fahrenheit therefore will be able, if necessary, to raise the funds required to meet these payment obligations on the market at any time by borrowing from third parties.

Regardless of this, to finance the Compensation or the severance payment including interest thereon, if any, owed by Fahrenheit to the outstanding shareholders of va-Q-tec pursuant to Sec. 4 and Sec. 5 (1) through Sec. 5 (5) of the Agreement (together the "**Payment Obligations towards Outstanding Shareholders**"), Fahrenheit has been provided with the following binding financing commitments of entities of the EQT Group:

- EQT X EUR SCSp, a special limited partnership (*société en commandite spéciale*) established under the laws of the Grand Duchy of Luxembourg with registered office at 51A, Boulevard Royal L-2449, Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés Luxembourg*) under number B 261.668 and EQT X USD SCSp, a special limited partnership (*société en commandite spéciale*) established under the laws of the Grand Duchy of Luxembourg with registered office at 51A, Boulevard Royal L-2449, Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés Luxembourg*) under number B 261.665 (together the "**EQT X ECL-Funds**"), each represented by its manager (*gérant*) EQT Fund Management S.à r.l., a limited liability company (*société à responsabilité limitée*) under the laws of the Grand Duchy of Luxembourg with registered office at 51A Boulevard Royal, L 2449 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés Luxembourg*) under number B167.972, undertook to Fahrenheit on 30 June 2023 to provide to Fahrenheit, directly or indirectly, in the form of equity and/or on the basis of shareholder loans or similar instruments an aggregate amount of up to EUR 60.090.680,00 in cash which may be applied by Fahrenheit for fulfilling the Payment Obligations towards Outside Shareholders (the "**EQT X Equity Funding Commitment**").

- EQT X ECL-Funds are fund entities of the EQT X Fund and they hold an indirect participation in Fahrenheit through Fahrenheit TopCo. As investment funds, the EQT X ECL-Funds are financed by their investors, which are in turn obligated to provide the EQT X ECL-Funds, indirectly through affiliated fund vehicles of the EQT X ECL-Funds, with their committed pro rata contributions upon request. At the time of the undertaking to provide the EQT X Equity Funding Commitment, the remaining capital commitments of the investors of the EQT X ECL-Funds significantly exceeded the amount of the EQT X Equity Funding.

- Additionally, ENV HoldCo AB, a private limited liability company incorporated under the laws of Sweden with registered office at Staffansväg 2A, 192 78 Sollentuna, Sweden, and registered with the Swedish Companies Register (*aktiebolag*) under number 559387 6740 ("**ENV Holdco**"), undertook to Fahrenheit on 13 July 2023 to provide to Fahrenheit, directly or indirectly, in the form of equity and/or on the basis of shareholder loans or similar instruments an aggregate amount of up to EUR 60.090.680,00 in cash which may be applied by Fahrenheit for the fulfilling of Payment Obligations towards Outside Shareholders (the "**ENV Equity Funding Commitment**").

  ENV Holdco is indirectly majority-owned by the EQT X Fund. It in turn holds 100% of the shares in Envirotainer and, as a result of this participation in the Envirotainer Group, has the necessary funds available to fulfill the ENV Equity Funding Commitment (see Sec. 2.2(f)(iii) for the key financial figures of the Envirotainer Group).

Upon completion of the Business Combination (see Sec. 2.2(f)(iii)), Fahrenheit will indirectly become a subsidiary of ENV Holdco. The respective terms of the EQT X Equity Funding Commitment and the ENV Equity Funding Commitment are therefore aligned as follows: The EQT X Equity Funding Commitment serves the financing of Payment Obligations towards Outside Shareholders that fall due during the period until the completion of the Business Combination, which is expected to occur in 2024, but no later than the end of 2024. The ENV Equity Funding Commitment covers Payment Obligations towards Outside Shareholders which fall due in the period after completion of the Business Combination and ends six months after the expiration of the period until which outside shareholders of va-Q-tec may bring forward claims for compensation in accordance with Sec. 5 (1) through Sec. 5 (5) of the Agreement for the last time.

The amount of the EQT X Equity Funding Commitment that may be used to fulfill Payment Obligations towards Outside Shareholders will be reduced by the intended Offer Price of EUR 26.00 for each va-Q-tec Share acquired by Fahrenheit under the Delisting Offer. This takes into account that in respect of va-Q-tec Shares acquired under the Delisting Offer there will be no Payment Obligations of Fahrenheit under the Agreement.

Accordingly, a reduction of the total amount of the ENV Equity Funding Commitment is provided for if there is a change in the aggregate number of va-Q-tec Shares held by outside shareholders of va-Q-tec during the period until completion of the Business Combination. For this purpose, the total amount of the ENV Equity Funding Commitment is limited to an amount equal to the product of (i) the number of va-Q-tec Shares held by outside shareholders of va-Q-tec upon completion of the Business Combination, excluding the Retained Family Shares, and (ii) EUR 26.00.

These provisions of the EQT X Equity Funding Commitment and the ENV Equity Funding Commitment ensure that for each va-Q-tec Share held by outside shareholders of va-Q-tec – with the exception of the Retained Family Shares for which the acceptance of the severance payment pursuant to Sec. 5 of the Agreement is contractually excluded – a financing amount from EQT X ECL-Funds or ENV Holdco of EUR 26.00 is available to Fahrenheit to fulfill Payment Obligations towards Outside Shareholders. This amount is therefore sufficient to finance, in addition to the full severance payment, the annual Compensation pursuant to Sec. 4 of the Agreement for these va-Q-tec Shares for several financial years.

In addition, future income from the profit transfer by va-Q-tec pursuant to Sec. 2 of the Agreement can be used by Fahrenheit to fulfill Payment Obligations towards Outside Shareholders, which, according to the contractual provisions applies for the first time to the profits of the financial year 2025 (see Sec. 4.2), or other liquidity reserves at the level of va-Q-tec, which, as the case may be, can be made available to Fahrenheit by va-Q-tec on short notice in form of a loan which is repayable by way of set-off against future profit transfer obligations of va-Q-tec. The same applies, to the extend the necessary funds are not made available to Fahrenheit at the relevant time as further shareholder financing or are not financed by Fahrenheit through borrowing from third parties on the market, to the fulfillment of any severance payment pursuant to Sec. 5 (6) of the Agreement, which the outside shareholders of va-Q-tec may claim from Fahrenheit in the event of a termination of the Agreement after the expiration of the statutory right to compensation pursuant to Sec. 5 (1) through Sec. 5 (5) (see Sec. 4.5(d)).

In this context, it has to be taken into account that already the forecasted consolidated results of va-Q-tec for future financial years on the basis of the stand-alone planning of va-Q-tec - *i.e.* without taking into account synergies from the planned Business Combination - (see p. 49 et seq. of the Valuation Report of EY attached as **Annex 5**) already indicate a positive development in results so that continuous profit transfers from the beginning of the contractual obligation to transfer profits can be expected.

It should also be noted that, in the course of the Capital Increase, Fahrenheit provided va-Q-tec with cash of approximately EUR 34.9 million as new equity (see Sec. 1). As a result, va-Q-tec has liquidity reserves and additional debt borrowing potentials which can be used, if necessary, on the basis of the instruction right of Fahrenheit under Sec. 1 of the Agreement (see Sec. 4.1), for an interim financing of Fahrenheit's payment pursuant to Sec. 4 and/or Sec. 5 of the Agreement.

(ii) **Obligation to compensate losses**

Pursuant to Sec. 3 of the Agreement, Fahrenheit is obligated to compensate va-Q-tec for any losses during the term of the Agreement; this obligation to compensate losses will apply for the first time, assuming the Agreement becomes effective as planned in the financial year 2024, to the financial year 2024 (see Sec. 4.3).

However, there are currently no indications that va-Q-tec might incur such losses requiring compensation in the financial year 2024 or in the following financial years. Again, it should be noted, that already the forecasted consolidated results of va-Q-tec for future financial years on the basis of the stand-alone planning of va-Q-tec indicate a positive development in results. For the financial year 2024, as the first financial year of a possible obligation to compensate losses, it should also be noted that the Carve-Out planned for that year (see Sec. 2.2(f)(iii)) is expected to result in significant book profits for va-Q-tec (see Sec. 3.2).

In case a loss situation nevertheless occurs in the future, Fahrenheit can, if necessary, use earnings from the profit transfers pursuant to Sec. 2 of the Agreement of previous financial years in order to fulfill a corresponding obligation to compensate losses, or the loss may, if necessary, be compensated pursuant to Sec. 2 (2) of the Agreement by dissolving profit reserves formed by va-Q-tec during the term of the Agreement (see Sec. 4.2). For such a loss compensation by dissolution of profit reserves, it should also be noted that, in the course of the Capital Increase, Fahrenheit provided va-Q-tec with cash of approximately EUR 34.9 million as new equity. As a result, va-Q-tec has liquidity reserves and additional debt borrowing potential. Therefore, it is not to be expected that a future loss situation - for which there are currently no indications - will result in additional funding requirements that va-Q-tec cannot cover itself.

Due to the existing full equity financing of the va-Q-tec Shares held by Fahrenheit at the time of signing this Contract Report (see Sec. 2.2(g)), it is also to be expected that Fahrenheit could, if necessary, finance a future obligation to compensate losses on the market by borrowing from third parties, unless the necessary funds are made available to it as additional shareholder financing.

3. REASONS FOR THE CONCLUSION OF A DOMINATION AND PROFIT AND LOSS TRANSFER AGREEMENT

3.1 Economic and legal reasons

(a) Objective to create closer cooperation and establishment of a New Pharma Group

The domination and profit and loss transfer agreement will enable closer and effective cooperation between va-Q-tec and its majority shareholder Fahrenheit and the Envirotainer Group. It is envisaged, that hereby the long-term value of va-Q-tec's business shall be improved and the global competitive position of the parties involved shall be improved and an increase in sales and net income through improved cooperation between va-Q-tec and the Envirotainer Group, will be achieved.

The Agreement gives Fahrenheit a right to issue instructions, also to enforce strategic measures against va-Q-tec, which are in the joint interest of the va-Q-tec Group and Fahrenheit the companies affiliated with Fahrenheit.

The right to issue instructions thus obtained is an essential prerequisite for the intended creation of an integrated TempChain group as part of the planned business combination of the Pharma Segment of va-Q-tec with Envirotainer (see Sec. 2.2(f)(iii) above).

The objective of this Business Combination is to make the role of va-Q-tec and Envirotainer in the form of a New Pharma Group as a global competitive force in TempChain even more attractive for customers, and thereby establishing a leading provider for TempChain solutions for pharmaceuticals.

The parties expect that the combination of the Pharma Segment with the Envirotainer Group will create synergies in the New Pharma Group and enable it to take new, successful and complementary positions in key global markets and create a more diverse and balanced portfolio for the pharmaceutical market, and enable the New Pharma Group to offer a broader product range for the benefit of its customers.

(b) **Limits and restrictions to cooperation in the current de facto group**

As a result of Fahrenheit's majority shareholding, currently, a de facto group in the meaning of stock corporation law exists between va-Q-tec and Fahrenheit. The same applies indirectly for the relationship between va-Q-tec and the EQT Group, which has a majority interest in va-Q-tec via Fahrenheit. In this de facto group, Fahrenheit, in its capacity as majority shareholder, can de facto exercise a controlling influence over va-Q-tec. However, within a de facto group strict limits on the control and coordination of activities are to be considered. Pursuant to Sec. 76 (1) AktG, the management board of va-Q-tec is still obligated to manage the Company under its sole responsibility. The management board shall examine in each individual case all measures or legal transactions undertaken or omitted at the inducement or in the interest of Fahrenheit or an affiliated company to determine whether they have any adverse effects for va-Q-tec.

If such legal transactions or measures or their omission are disadvantageous for va-Q-tec, the management board of va-Q-tec may only undertake or omit them if the disadvantages associated with the relevant legal transaction or measure or their omission are compensated (Sec. 311 (1) AktG). The compensation for the disadvantages must be undertaken by the end of the financial year of va-Q-tec in which the legal transaction was carried out or the measure was taken or omitted – i.e. within a narrow timeframe – either actually or by granting a corresponding legal claim (Sec. 311 (2) AktG).

The consequence of this legal situation is that all measures and legal transactions of va-Q-tec which are undertaken or omitted at the inducement or in the interests of Fahrenheit or a company affiliated with Fahrenheit must be examined in each individual case to determine, whether the influence is legally permitted and whether it leads to disadvantages for va-Q-tec that must be compensated. Such individual examinations may require extensive analyses and tie the resources of the management board to a considerable extent, without the examination leading to a legally secure result in every case. In many cases, particularly in the case of measures with long–term objectives, it is very difficult to determine whether the measure is detrimental. Short-term adverse effects may be offset by long-term positive ones. However, whether and to what extent the positive effects occur is often unclear.

Furthermore, in a de facto group, all measures and legal transactions undertaken with the controlling company or an affiliated company of it or at the inducement or in the interest of these companies must be documented in detail. In particular, the management board of the controlled company must report on them in an annual so-called dependency report (*Abhängigkeitsbericht*), specifying any adverse effects (Sec. 312 AktG). The dependency report must be examined by both the supervisory board and the auditor of the controlled company (Sec. 313 and Sec. 314 AktG).

These principles and documentation requirements, which apply to the de facto group, result in a considerable demand on time and resources, especially on the part of the de facto controlled company. This is because for every measure and every legal transaction of va-Q-tec that is induced by Fahrenheit or by a company affiliated with or is undertaken or omitted in its interest, both the management board and other departments of va-Q-tec must be involved (e.g. the legal department, the accounting and tax department and the corporate finance department) in order to ensure compliance with the rules applicable in a de facto group. This not only ties resources of va-Q-tec as the controlled company, but also leads to significant delays in the intended cooperation between the va-Q-tec Group and the Envirotainer Group. This makes the swift and efficient implementation of management decisions in the joint interest more difficult.

Furthermore, in a de facto group the quantification and the determination of the compensability of any disadvantages of the controlled company cause great difficulties. Such difficulties regularly arise in the context of legal transactions and measures which go beyond the mere exchange of performance and consideration (e.g. purchase of goods or provision of services) or for which a market price cannot be determined or cannot be determined with sufficient certainty.

Such measures may, for example, consist in the exchange of know–how and business information. In these cases, it is difficult, if not often impossible, in practice to quantify any disadvantages or corresponding advantages of the controlled company and to compensate any disadvantages. As a result, such measures or legal transactions are not possible with sufficient legal certainty in a de facto group and can only be carried out with considerable auditing and documentation effort or must be avoided altogether.

However, the implementation of more extensive cooperation and intensive exchange of information is necessary to achieve the desired results described in Sec. 3.1(a) from a further combination of the activities of va-Q-tec and the Envirotainer Group. Without the conclusion of a domination and profit and loss transfer agreement, these advantages could only be achieved insufficiently.

(c) **Establishment of a contractual group by conclusion of the domination and profit and loss transfer agreement**

These difficulties, existing in a de facto group, are avoided by concluding a domination and profit and loss transfer agreement, as this creates a contractual basis for the intended close cooperation. In a contractual group, the provisions for individual compensation of disadvantageous legal transactions and measures induced by the controlling company or a company affiliated with it, or undertaken or omitted in their interest, do not apply. In particular, on the basis of the part of the Agreement relating to the control, the controlling Contracting Party has the right to directly instruct the management board of the controlled company to undertake measures or legal transactions in the interest of the controlling Contracting Party or a company affiliated with it.

This applies even if such measures or legal transactions should be disadvantageous for the controlled company considered individually (Sec. 308 AktG) and the disadvantages cannot be compensated for within the same financial year and/or it is not possible to precisely quantify the disadvantages. This makes it possible to deploy resources more efficiently and also to implement cooperation measures for which the quantification of any disadvantages and, potential, corresponding advantages is not possible with legal certainty. Management measures can thus be aligned to the joint interests of the affiliated companies without the need for time-consuming monitoring of each measure for its effects on the controlled company. In addition, the effort for preparing and auditing the dependency report is also eliminated, as such does not have to be prepared in a contractual group.

For Fahrenheit, the Agreement will consequently enable better management of the intended cooperation with the va-Q-tec Group in the joint interest of the entire group. The Agreement will also facilitate the unrestricted exchange of information, also with regard to best practice policies, between va-Q-tec and Fahrenheit and the companies affiliated with Fahrenheit.

The conclusion of the Agreement thus proves to be a suitable legal means for implementing the proposed comprehensive cooperation of the companies involved, which is also applied by other companies in similar cases and is provided for by law precisely for this purpose.

Due to the combination of the domination agreement with a profit and loss transfer agreement, Fahrenheit will be entitled to a transfer of profits from va-Q-tec from 1 January 2025 (Sec. 301 AktG), provided the general meeting of va-Q-tec approves the conclusion of the Agreement and it is registered with the commercial register of va-Q-tec by 31 December 2025.

In return, as a result of the Agreement, va-Q-tec receives a claim to compensation for losses from the beginning of the effectiveness of the control part in the event that an annual net loss is incurred by va-Q-tec during the term of the Agreement, insofar as such is not compensated by other amounts from the other profit reserves that were transferred to them during the term of the Agreement (Sec. 302 AktG). Other as in the case of a mere de facto group, va-Q-tec will in future not be reliant on individual compensation for any disadvantages it may have suffered as a result of influence after the conclusion of the Agreement, but – irrespective of influence or other factors – will be entitled by operation of law to full compensation from Fahrenheit of losses (cf. Sec. 302 AktG).

The interests of va-Q-tec shall be further protected after the conclusion and effectiveness of the Agreement by the fact that the right to issue instructions is not unlimited (cf. also under Sec. 4.1). In particular, va-Q-tec may not be deprived of its ability to continue to exist as a result of adverse instructions, as the statutory provisions assume the continued existence of the controlled company also for the period after any termination of the Agreement. In addition, adverse instructions are inadmissible and do not trigger a consequential obligation if they obviously do not serve the interests of the controlling company or a company affiliated with it or the controlled company.

For the outstanding va-Q-tec Shareholders, the Agreement creates special protection mechanisms which are not available to them in a de facto group. They receive a claim against Fahrenheit for an appropriate Guaranteed Dividend or an annually appropriate Recurring Compensation Payment (Sec. 304 AktG) (for more detail see Sec. 4.4) or, if they want to sell their va-Q-tec Shares against the background of the Agreement, they transfer their va-Q-tec Shares to Fahrenheit in return of an appropriate severance payment specified in the Agreement (Sec. 305 AktG) and cease as shareholders of va-Q-tec (for more detail see Sec. 4.5).

(d) **Conclusion**

va-Q-tec and Fahrenheit believe that close cooperation between the involved companies after the effective date of the Agreement will strengthen their competitive positions and lead to the achievement of synergies. The establishment of a contractual group by way of the Agreement expands the opportunities for cooperation. Compared with the current de facto group, the Agreement enables cost savings and avoids effort, for example by eliminating the need to record, audit and document individual measures and any disadvantages resulting from influence or inducement on the part of Fahrenheit or a company affiliated with Fahrenheit. It allows greater flexibility with respect to instructions and faster and more efficient decision–making processes. It also allows measures to be implemented that are in the joint interest of va-Q-tec Group and Fahrenheit and the companies affiliated with Fahrenheit, including in particular the Envirotainer Group, but not necessarily in the individual interest of va-Q-tec. This also opens up new growth opportunities for va-Q-tec.

3.2 **Tax considerations**

The conclusion of a profit and loss transfer agreement within the meaning of Sec. 291 AktG enables the establishment of a tax group for corporate income tax and trade tax purposes ("**Income Tax Group"** between Fahrenheit (controlling company) and va-Q-tec (controlled company).

The Income Tax Group further requires that the controlling company has continuously held a participation in the controlled company from the beginning of the latter's financial year which grants to it the majority of the voting rights attaching to the shares in the controlled company (Sec. 14 (1) sentence 1 no. 1 sentence 1 German Corporation Income Tax Act, "**KStG"**) and that this participation is continuously attributable to a domestic permanent establishment of the controlling company without interruption for the entire existence of the Income Tax Group (Sec. 14 (1) sentence 1 no. 2 sentence 4 KStG). For effectiveness of the Income Tax Group, the profit and loss transfer agreement must also be concluded for a minimum term of at least five years (60 months) (Sec. 14 (1) sentence 1 no. 3 sentence 1 KStG) and must actually be performed during its entire term.

The profit and loss transfer obligation under the Agreement and thus the Income Tax Group shall first come into existence in the financial year beginning on 1 January 2025, or – if this Agreement only takes effect in a later financial year in accordance with Sec. 7 (2) of the Agreement (Sec. 2 (3) of the Agreement) – of that later financial year of va-Q-tec in which this Agreement becomes effective in accordance with Sec. 7 (2) of the Agreement.

The Income Tax Group will not result in the inapplicability of the general tax law obligations of va-Q-tec. va-Q-tec has to continue to determine its tax results separately from Fahrenheit in accordance with general regulations. For corporate income tax purposes, the income of va-Q-tec will be determined separately and uniformly and with binding effect vis-à-vis Fahrenheit and va-Q-tec. However, as a consequence of the Income Tax Group, as of the financial year in which the Income Tax Group first exists, the taxable income of va-Q-tec – subject to certain statutory limitations – will be attributed to Fahrenheit and taxed at the level of Fahrenheit. However, during the term of the profit and loss transfer obligation, va-Q-tec by itself, i.e. instead of Fahrenheit, is required to pay tax on its own income in the amount of currently 20/17 of the Recurring Compensation Payments made (Sec. 16 KStG).

The establishment of the Income Tax Group has a positive liquidity effect for Fahrenheit, as profit transfers from va-Q-tec to Fahrenheit under commercial law as part of an Income Tax Group are not subject to withholding tax on investment income plus solidarity surcharge, in contrast to profit distributions without an Income Tax Group. If no profit and loss transfer agreement is concluded and no Income Tax Group is established and the profit of va-Q-tec is distributed in the form of dividends, Fahrenheit would in principle only be entitled to a credit or refund of the capital gains tax withheld by va-Q-tec plus the solidarity surcharge as part of the corporate income tax assessment after filing the tax declaration for the assessment period in which the dividend was received. Without the existence of an Income Tax Group, 95% of the dividend from va-Q-tec would in principle not be taken into account in determining income at Fahrenheit, Sec. 8b (1), (5) KStG. In addition, unlike a dividend distribution, a profit transfer under commercial law in the context of an Income Tax Group is not subject to the 5% fiction of non–deductible operating expenses under Sec. 8b (5) KStG.

In addition, the establishment of the Income Tax Group leads to Fahrenheit being able to offset its tax result against the tax result of va-Q-tec, so that a set-off takes place between tax – deductible financing expenses (taking into account the interest barrier pursuant to Sec. 8a KStG, Sec. 4h EStG and other deduction restrictions, including

Sec. 4k EStG) and operating profits, which leads to a corresponding liquidity advantage due to the lower tax payments on balance

However, the establishment of an Income Tax Group also leads to the fact that all corporate income tax and trade tax loss carryforwards existing at the level of va-Q-tec at the time of the establishment of the Income Tax Group are deemed to be frozen and thus cannot be used for the duration of the Income Tax Group. This means that such loss carryforwards of va-Q-tec cannot be offset within the Income Tax Group. The corporate income tax loss carryforwards of va-Q-tec amount to approximately EUR 28.6 million as of 31 December 2022, based on the latest key financial figures as well as tax assessments. The trade tax loss carryforwards of va-Q-tec amount to approximately EUR 28.0 million as of 31 December 2022, based on the latest key financial figures as well as tax assessments. Since the profit and loss transfer obligation of va-Q-tec will exist at the earliest as of 1 January 2025 (cf. Sec. 4.2) and thus the Income Tax Group will in any case not be established before this date, the corporate income tax and trade tax loss carryforwards of va-Q-tec can still be used by va-Q-tec itself until this date. In addition, should the Income Tax Group be terminated at a later point in time (after expiry of the minimum period of five years), the corporate income tax and trade tax loss carryforwards would be usable again (provided that they have not lapsed in the meantime pursuant to Sec. 8c KStG).

The postponement of the start of the profit and loss transfer obligation and thus also of the Income Tax Group to the beginning of the financial year 2025 of va-Q-tec has the following background: The spin-off planned for the year 2024 for the purposes of the Carve-Out is expected to lead to significant book profits at va-Q-tec. In order to be able to offset these profits against the existing tax loss carryforwards of va-Q-tec for corporate income tax and trade tax purposes, the Income Tax Group established by the profit and loss transfer part of the Agreement is not to be established until the year 2025.

Please refer to Sec. 8.1 for information on the planned consolidated tax group for VAT purposes.

3.3 Alternatives

The managing board of Fahrenheit and the management board of va-Q-tec have thoroughly examined alternatives to entering into a domination and profit and loss transfer agreement. They arrived at the conclusion that none of the alternatives examined is equally or more advantageously suited to achieving the objectives described above. Against this background, the following alternative structures were examined in particular:

(a) Conclusion of an isolated domination agreement or an isolated profit and loss transfer agreement

The conclusion of an isolated domination agreement between va-Q-tec and Fahrenheit would be legally permitted. However, without the conclusion of a profit and loss transfer agreement, no Income Tax Group is established. Furthermore, an isolated domination agreement does not permit the transfer of profits. Admittedly, the loss carryforwards would not be considered frozen, but would remain usable, provided they are not already used by va-Q-tec itself until the beginning of the Income Tax Group (see also Sec. 3.2). However, the intended tax advantages as well as the liquidity advantage due to the profit transfer could not be achieved with an isolated domination agreement.

The conclusion of an isolated profit and loss transfer agreement between va-Q-tec and Fahrenheit would also be legally permitted. However, this would not provide a sufficient legal basis for the intended comprehensive cooperation between va-Q-tec and Fahrenheit and the Envirotainer Group. As explained, close cooperation with legal certainty is only possible if the existing de facto group is placed on a contractual basis through a domination agreement which permits comprehensive instructions from Fahrenheit to va-Q-tec (see above Secs. 3.1(a) – 3.1(d)).

Only in the combination of both elements, domination and profit transfer, a group structure can be achieved which is optimized with regard to the tax situation and the management structures. For this reason, the legal entities involved have decided to conclude a domination and profit and loss transfer agreement. This form of agreement takes into account the interests of the outstanding va-Q-tec Shareholders in an appropriate manner by means of a Recurring Compensation Payment and a severance payment and has proven itself many times in the practice of stock corporation law.

(b) **Squeeze-out of minority shareholders**

A squeeze-out of the outstanding va-Q-tec Shareholders pursuant to Secs. 327a et seq. AktG (so-called squeeze-out under stock corporation law) is not possible at the time of signing this Contract Report, as Fahrenheit's shareholding in va-Q-tec does not reach the legally required level of at least 95% of the share capital of va-Q-tec. The same applies to the so-called squeeze–out under takeover law in accordance with Secs. 39a et seq. WpÜG.

Nothing else applies to an exclusion of the outstanding va-Q-tec Shareholders pursuant to Sec. 62 (5) of the German Transformation Act ("**UmwG**") in conjunction with Secs. 327a et seq. AktG in the course of a merger (so-called merger squeeze-out), as this requires a shareholding of 90% of the share capital. In addition, Fahrenheit as a limited liability company does not have the legal form of a stock corporation required for a squeeze-out under transformation law. Even if the required shares were held, Fahrenheit would still have to be converted into a stock corporation.

To the extent that va-Q-tec holds real estate in Germany or directly or indirectly holds at least 90% of the capital or assets of corporations or partnerships that hold real estate in Germany, a squeeze-out would also trigger real estate transfer tax.

Furthermore, even in the event of a 100% shareholding of Fahrenheit in va-Q-tec without a domination and profit and loss transfer agreement, the conditions set out in Sec. 3.1(b) associated with a de facto group would remain in place as long as va-Q-tec has the legal form of a stock corporation (or a European stock corporation (*Societas Europaea*)). In addition, without the conclusion of a profit and loss transfer agreement, it would not be possible to achieve an Income Tax Group.

(c) **Integration or merger**

Group consolidation by way of an integration (Secs. 319 et seq. AktG) is not possible. Fahrenheit does not have the interest in va-Q-tec required for an integration. Fahrenheit is neither the sole shareholder (Sec. 319 (1) sentence 1 AktG) nor does it hold at least 95% in the share capital of va-Q-tec (Sec. 320 (1) sentence 1 AktG). In addition, an integration requires that both legal entities involved are German stock corporations or European stock corporations (*Societas Europaea*) with their registered offices in Germany. An integration of va-Q-tec into Fahrenheit would therefore also not be possible without a conversion of Fahrenheit into one of the two aforementioned legal forms.

Both, a merger of Fahrenheit into va-Q-tec (so-called "**Downstream Merger**") and, vice versa, a merger of va-Q-tec into Fahrenheit (so-called "**Upstream Merger**") are no alternatives.

The Downstream Merger is unsuitable as an alternative as it would cause Fahrenheit to cease to exist as a separate legal entity. Furthermore, such measure would not change the requirement for a domination and profit and loss transfer agreement in order to carry out the intended cooperation of va-Q-tec with Fahrenheit and the Envirotainer Group and the integration into the New Pharma Group. va-Q-tec would then have to enter into a domination and profit and loss transfer agreement with Fahrenheit HoldCo as the majority shareholder of Fahrenheit, through which, moreover, the advantages of an Income Tax Group could not be achieved, since Fahrenheit HoldCo is not a domestic company.

The Upstream Merger is also not a suitable alternative. In this case, the outstanding va-Q-tec Shareholders would become shareholders in Fahrenheit to the same extent in terms of value as they hold shares in va-Q-tec. Since no conversion of Fahrenheit into a stock corporation is planned, the tradability of the shares of the outstanding va-Q-tec Shareholders (i.e. the GmbH shares in Fahrenheit) would be considerably more difficult and cost–intensive beyond the exclusion from stock exchange trading. As a result of an Upstream Merger, the interests of the outstanding va-Q-tec Shareholders would therefore be significantly impaired.

Under the same conditions as for the squeeze-out, an Upstream Merger would also trigger real estate transfer tax (*Grunderwerbssteuer*).

(d) **Change of legal form**

A change of legal form of va-Q-tec into another legal form of a corporation or into a partnership is also not a suitable alternative to achieve the objectives intended by the Agreement. In addition, the corporate structure of va-Q-tec as a stock corporation is to be retained for the time being.

It would not be possible to achieve the desired Income Tax Group by means of a change of legal form (see Sec. 3.2), as this is first and utmost established by a profit and loss transfer agreement.

Nor would a change of legal form into a partnership limited by shares affect the applicability of the rules on the de facto group and the disadvantages compared to the legal situation in the case of a domination and profit and loss transfer agreement (see Sec. 3.1(b) and Sec. 3.1(c)).

Even after a change of legal form to a limited liability company or a partnership, the intended close cooperation within the New Pharma Group could not be carried out in a legally secure manner without a domination agreement, because even with regard to a limited liability company or a partnership the majority shareholder's right to issue instructions is not unrestricted. The interest of the company and the co-shareholders must be taken into account. Measures that are not in the individual interests of the company may also be inadmissible in these legal forms due to a breach of the member's duty of loyalty and consideration, so that the enforcement of disadvantageous measures would be problematic.

Furthermore, a change of legal form would have meant additional expense and time delay. There is no legal obligation to change the legal form in connection with the conclusion of a domination and profit and loss transfer agreement.

(e) **Relationship Agreement**

The conclusion of a group coordination agreement (Relationship Agreement) between va-Q-tec and Fahrenheit is also not suitable for achieving the objectives intended by the Agreement.

A group coordination agreement describes an agreement between a controlling shareholder (Fahrenheit) and a controlled company (va-Q-tec) that regulates certain aspects of the de facto group on an equal footing and with mutual binding effects, without thereby creating a contractual group. With a group coordination agreement, which can provide for joint coordination in operational as well as strategic matters and the pooling of certain business functions, it is possible to achieve a legally secured, actual determining influence on the business activities of the controlled company and thus the group privilege under antitrust law. By contractually structuring the de facto group, the controlling company can also assume group-wide compliance responsibility and minimize the liability risks arising from the Union law concepts of the economic unit. Appropriate contractual arrangements also enable agile and low-hierarchy corporate management while maintaining positive group effects.

However, the de facto group between va-Q-tec and Fahrenheit, which continues to exist despite the conclusion of a group coordination agreement, would continue to impose limits on the control and coordination of activities (see Sec. 3.1(b)). A group coordination agreement must still observe the central German stock corporation law standards of Secs. 76, 111, 291 et seq. AktG. Thus, pursuant to Sec. 76 (1) AktG, the management board of va-Q-tec would still be obliged to manage va-Q-tec on its own responsibility, even if the management autonomy of the management board could be restricted in the well–understood interests of the company.

A group coordination agreement between va-Q-tec and Fahrenheit is unlikely to exclude or impede the independent performance of the companies' statutory duties, as would be the case, for example, with far reaching reservations of consent in favor of the management of the controlling company. For this reason, in practice neither rights to issue instructions nor reservations of consent in favor of the controlling company are agreed in group coordination agreements, because this could be contrary to the agile group structure and could cross the boundary to a hidden control agreement.

(f) **Summarised result**

The management board of va-Q-tec and the managing board of Fahrenheit have, after thorough and careful consideration, reached the conviction that only the conclusion of a domination and profit and loss transfer agreement is a sufficient legal basis for the intended integration of va-Q-tec into the EQT Group. Only by entering into a domination and profit and loss transfer agreement, the restrictions of the de facto group can be avoided for the relationship of va-Q-tec and Fahrenheit and the companies affiliated with Fahrenheit (see Sec. 3.1(b)) and an Income Tax Group can be established (see Sec. 3.2).

4. THE DOMINATION AND PROFIT AND LOSS TRANSFER AGREEMENT

4.1 Management control (Sec. 1 of the Agreement)

Sec. 1 of the Agreement contains the constitutive provision of a domination agreement, according to which va-Q-tec, as controlled company, places the management of its company under the control of Fahrenheit as controlling company. Accordingly, Fahrenheit is entitled to issue instructions to the management board of va-Q-tec both general instructions and instructions relating to individual cases with regard to the management of va-Q-tec, in particular also with regard to the preparation of the annual financial statements of va-Q-tec (Sec. 1 (1) of the Agreement). Notwithstanding the control and the right resulting therefrom to issue instructions, va-Q-tec continues to be a legally independent company with its own corporate bodies. The management board of va-Q-tec therefore continues to be responsible for the management and representation of va-Q-tec. To the extent that no instructions are issued, the management board of va-Q-tec can and has to continue to manage va-Q-tec in its own responsibility.

The scope of the right of management control and the right to issue instructions is governed by Sec. 308 AktG. Accordingly, the management board of va-Q-tec is required to comply with permissible instructions (Sec. 1 (2) of the Agreement). va-Q-tec may also be given instructions which have adverse effects for va-Q-tec if they serve the interests of Fahrenheit or the subsidiaries affiliated with it and with va-Q-tec (Sec. 308 (1) sentence 2 AktG). The management board of va-Q-tec is not entitled to refuse to comply with an instruction unless the instruction clearly does not serve these interests (Sec. 308 (2) sentence 2 AktG).

The management board shall not be required to comply with any impermissible instructions, e.g. instructions which would violate mandatory statutory provisions or provisions of the articles of association of va-Q-tec or jeopardize the existence of va-Q-tec, if they were implemented. A controlled company is also not obligated to follow instructions if and as long as the controlling company fails to fulfill its obligations under the Agreement, in particular to assume losses and to pay the Recurring Compensation Payment and the severance payment to the outstanding va-Q-tec Shareholders (Secs. 304, 305 AktG), or is likely to be unable to fulfill these obligations (for the controlled company's right of termination, see Sec. 4.7(d)). Furthermore, instructions to amend, maintain or terminate the Agreement may not be given (Sec. 299 AktG, Sec. 1 (3) of the Agreement).

The right to management control and to issue instructions shall only exist towards the management board of va-Q-tec, but not towards the supervisory board, the general meeting or employees of va-Q-tec nor towards corporate bodies or employees of a subsidiary of va-Q-tec. If the management board of va-Q-tec is instructed to engage in a transaction which requires the approval of the supervisory board of va-Q-tec and the supervisory board does not approve or approval is not granted within a reasonable period of time, the approval of the supervisory board can be substituted by repeating the instruction in accordance with Sec. 308 (3) AktG. The participation rights of the general meeting of va-Q-tec are not affected by the Agreement.

An instruction must be issued in text form as defined by Sec. 126b of the German Civil Code ("**BGB**") (e.g. by fax or e-mail) (Sec. 1 (4) of the Agreement).

Fahrenheit's right to issue instructions and va-Q-tec's corresponding obligation to follow such instructions according to Sec. 1 of the Agreement shall exist pursuant to Sec. 294 (2) AktG, Sec. 7 (2) of the Agreement only as of the date the Agreement becomes effective by registration with the commercial register of va-Q-tec, but no earlier than the beginning of va-Q-tec's financial year commencing on 1 January 2024 (see Sec. 4.7(b)(i)).

4.2 **Profit transfer (Sec. 2 of the Agreement)**

Sec. 2 of the Agreement contains the constitutive provision of a profit and loss transfer agreement, according to which va-Q-tec undertakes to transfer its entire annual profit to Fahrenheit (Sec. 2 (1) sentence 1 of the Agreement). For the scope of the profit to be transferred, reference is made in Sec. 2 (1) sentence 2 of the Agreement to the statutory provision of Sec. 301 AktG as amended from time to time – subject to the establishing or dissolving of reserves pursuant to Sec. 2 (2) of the Agreement. Based on the current version of Sec. 301 AktG, the profit to be transferred is the annual net income without the profit transfer, reduced by any loss carryforward from the previous year, by the amount to be allocated to the statutory reserve in accordance with Sec. 300 AktG and by the amount blocked from distribution in accordance with Sec. 268 (8) HGB (Sec. 301 AktG). The amount to be allocated to the statutory reserve is determined in accordance with Sec. 300 No. 1 AktG and depends on the amount of the share capital and the annual net income and the amount already allocated to the statutory reserve. As the statutory reserves at va-Q-tec exceed 10% of the share capital of va-Q-tec in accordance with Sec. 272 (2) Nos. 1 to 3 HGB, it is not necessary to allocate further amounts to the statutory reserve in accordance with Sec. 300 No. 1 AktG.

Amounts blocked from distribution in accordance with Sec. 268 (8) HGB may arise in the following cases of amounts increasing earnings: If internally generated intangible fixed assets (Sec. 248 (2) sentence 1 HGB) are recognized in the balance sheet, profits may only be distributed if the freely available reserves remaining after the distribution plus any profit carried forward and less any loss carried forward are at least equal to the total amounts capitalized as internally generated intangible assets less the deferred tax liabilities established in respect thereof.

If deferred tax assets are recognized in the balance sheet of va-Q-tec (Sec. 274 (1) sentence 2 HGB), the freely available reserves remaining after the distribution plus any profit carried forward and less any loss carried forward must at least equal the deferred tax assets less the deferred tax liabilities (Sec. 268 (8) sentence 2 HGB).

If assets that are not accessible to all creditors and serve exclusively to meet retirement benefit obligations or comparable long-term obligations (so called "plan assets" (*Planvermögen*), Sec. 246 (2) sentence 2 HGB) are recognized in the balance sheet, the freely available reserves remaining after the distribution plus any profit carried forward and less any loss carried forward must at least correspond to the capitalized difference between the fair values of these assets less the deferred tax liabilities recognized for them and the acquisition cost of these assets (Sec. 268 (8) sentence 3 HGB).

The term "*freely available reserves*" (*freie verfügbare Rücklagen*) includes both profit reserves and certain capital reserves. Accordingly, profit reserves whose distribution is not precluded by any statutory provisions or provisions of the articles of association, as well as the freely available capital reserve pursuant to Sec. 272 (2) No. 4 HGB, are to be taken into account when determining the maximum distribution amount.

The amount to be transferred as profit pursuant to Sec. 2 (1) of the Agreement shall be reduced pursuant to Sec. 2 (2) sentence 1 of the Agreement if and to the extent that va-Q-tec, with the consent in text form (Sec. 126b BGB) of Fahrenheit, transfers amounts from the annual net income arising without the profit transfer to other profit reserves (Sec. 272 (3) sentence 2 HGB). The allocation to these profit reserves is to be made within the framework of the Income Tax Group (see Sec. 4.7(d)) is only possible to the extent that it is economically justified on the basis of a reasonable commercial assessment (Sec. 14 (1) sentence 1 No. 4 KStG). If this assessment is not considered, the Income Tax Group could be retroactively not acknowledged Sec. 2 (2) sentence 1 of the Agreement takes this standard into account. Pursuant to Sec. 2 (2) sentence 2 of the Agreement, Fahrenheit may demand by request in text form (Sec. 126b BGB) that other profit reserves formed during the term of the obligation to transfer profits (Sec. 272 (3) sentence 2 HGB) be dissolved and transferred as profit (Sec. 301 sentence 2 AktG) or used to compensate for any annual net loss (Sec. 302 (1) AktG).

In Sec. 2 (2) sentence 3, the Agreement further stipulates that other reserves or profits carried forward from the period prior to the effectiveness of the obligation to transfer profits may neither be transferred as profit nor used to compensate for any annual net loss. The term *"other reserves"* (*sonstige Rücklagen*) includes all reserves pursuant to Sec. 272 HGB with the exception of other profit reserves formed during the term of the obligation to transfer profits. Accordingly, the statutory reserve or the reserve in accordance with the articles of association as well as the capital reserves are excluded from a contractual transfer, regardless of when they were established. Also excluded is the transfer or use to compensate for any annual net loss of profit reserves within the meaning of Sec. 272 (3) sentence 2 HGB that were established in the period prior to the effectiveness of the obligation to transfer profits. This provision thus implements the requirements of Sec. 301 AktG and the high court legislation (*höchstrichterliche Rechtsprechung*) on the use of reserves under a domination and profit and loss transfer agreement.

The obligation to transfer profits shall apply for the first time to the entire profits of the financial year beginning on 1 January 2025, or – if this Agreement only becomes effective in a later financial year pursuant to Sec. 7 (2) of the Agreement (Sec. 2 (3) of the Agreement) – of such later financial year of va-Q-tec in which this Agreement becomes effective pursuant to Sec. 7 (2) of the Agreement. The Agreement shall become effective upon its signing and registration with the commercial register of va-Q-tec after approval by the general meeting of va-Q-tec and the shareholders' meeting of Fahrenheit, but no earlier than at the beginning of the financial year commencing on 1 January 2024 (Sec. 294 (2) AktG, Sec. 7 (1) and (2) of the Agreement.

The postponement of the start of the profit and loss transfer obligation and thus also of the Income Tax Group to the beginning of the financial year 2025 of va-Q-tec has the following background: The spin-off planned for 2024 for the purposes of the Carve-Out is expected to lead to significant book profits at va-Q-tec. In order to be able to offset these profits against the existing tax loss carryforwards of va-Q-tec for corporate income tax and trade tax purposes, the Income Tax Group established by the profit and loss transfer part of the Agreement is not to be established until 2025. For this purpose, it is necessary that the profit and loss transfer obligation does not already apply to the financial year 2024, but only begins in the following year (see Sec. 3.2 above). This also avoids that the expected book profits associated with the spin-off in the financial year 2024, which will not be associated with any cash inflow at va-Q-tec, lead to a corresponding profit transfer obligation towards Fahrenheit.

Fahrenheit's claim to profit transfer shall become due in each case upon adoption of the annual financial statements for the relevant financial year of va-Q-tec for which the respective claim exists (Sec. 2 (4) of the Agreement).

4.3 Compensation of losses (Sec. 3 of the Agreement)

Sec. 3 (1) of the Agreement stipulates Fahrenheit's obligation to assume any net loss of va-Q-tec pursuant to Sec. 302 AktG as amended from time to time. Pursuant to Sec. 302 (1) AktG in its current version this means that Fahrenheit must compensate any annual net loss *"otherwise"* arising during the term of the Agreement, i.e. without the obligation to compensate such loss. The obligation to compensate losses does not apply insofar as the annual net loss is compensated by taking amounts from other profit reserves (Sec. 272 (3) sentence 2 HGB) that were transferred to them during the term of the obligation to transfer profits.

The obligation to compensate losses ensures that va-Q-tec's equity stated on its balance sheet on the date the Agreement becomes effective is not reduced during the term of the Agreement. This obligation to assume losses serves to safeguard the property interests of va-Q-tec, its shareholders and its creditors during the term of the Agreement.

Pursuant to Sec. 3 (2) of the Agreement, the obligation to assume losses shall apply for the first time for the entire financial year in which the Agreement becomes effective by registration with the commercial register of va-Q-tec (Sec. 7 (2) of the Agreement). In the event that the Agreement is registered by 31 December 2024, the obligation shall therefore exist for any loss incurred from the financial year 2024 onwards. The obligation to compensate losses shall in each case fall due at the end of the relevant financial year of va-Q-tec.

If the Agreement is terminated by va-Q-tec during a financial year, in particular by termination for cause (*wichtiger Grund*) (see Sec. 4.7(d)), Fahrenheit shall be obligated to compensate va-Q-tec for the annual net loss resulting from a balance sheet to be prepared as of the date of termination of the Agreement.

Pursuant to the current version of Sec. 302 (4) AktG, va-Q-tec's claim to compensation for any annual net loss becomes statute-barred ten years following the date on which the registration of the termination of the Agreement with the commercial register of va-Q-tec was announced in accordance with Sec. 10 HGB.

4.4 **Guaranteed Dividend and Recurring Compensation Payment (Sec. 4 of the Agreement)**

When the Agreement becomes effective, an obligation arises for Fahrenheit pursuant to Sec. 304 (1) AktG to grant appropriate compensation in favor of the outstanding va-Q-tec Shareholders. To fulfill this obligation, Fahrenheit undertakes to pay the outstanding va-Q-tec shareholders a guaranteed dividend ("**Guaranteed Dividend**") or a recurring compensatory payment ("**Recurring Compensation Payment**") (together "**Compensation**"). For the period of isolated control (i.e. va-Q-tec's obligation to put the management of its company under control of Fahrenheit as controlling company in accordance with Sec. 1 of the Agreement, without any obligation to transfer profits), i.e. for the financial year 2024 if the Agreement is registered in the year 2024 at the latest, there is an obligation to grant an appropriate compensation in the form of an obligation to pay a Guaranteed Dividend (see Sec. 4 (1) of the Agreement in more detail). For the financial years in which, in addition to management control, there is also an obligation to transfer profits, this obligation to grant appropriate compensation exists in the form of the Recurring Compensation Payment, which replaces the obligation to pay the Guaranteed Dividend (Sec. 4 (2) of the Agreement). In detail:

(a) **Guaranteed Dividend (Sec. 4 (1) of the Agreement)**

Upon effectiveness of va-Q-tec's obligation to place the management of its company under the control of Fahrenheit as the controlling company in accordance with Sec. 1 of the Agreement, the actions of the corporate bodies of va-Q-tec shall be governed by the best interests of va-Q-tec and the instructions issued by Fahrenheit, even if these should prove to be disadvantageous for va-Q-tec. As compensation for the obligation to place the management of va-Q-tec under the control of Fahrenheit as the controlling company and to act in accordance with Fahrenheit's instructions, Fahrenheit undertakes in Sec. 4 (1) of the Agreement, if the Agreement is registered with the commercial register of va-Q-tec in the year 2024 at the latest, to pay an appropriate Guaranteed Dividend for the financial year 2024 to the outstanding va-Q-tec Shareholders. To the extent that the dividend paid by va-Q-tec for the financial year 2024 (including any interim payments, before deduction of any withholding taxes) per va-Q-tec Share falls short of the Guaranteed Dividend, Fahrenheit shall pay each outstanding va-Q-tec Shareholder the corresponding difference per va-Q-tec Share ("**Guaranteed Payment**"). The Guaranteed Payment, if required, is due on the third business day after the ordinary general meeting of va-Q-tec for the financial year 2024, in accordance with Sec. 4 (5) of the Agreement.

Currently, a dividend payment by va-Q-tec is not planned for the financial year 2024. In this case, the Guaranteed Payment for the financial year 2024 would correspond to the full amount of the Compensation.

(b) **Recurring Compensation Payment (Sec. 4 (2) of the Agreement)**

Upon effectiveness of the obligation to transfer profits pursuant to Sec. 2 of the Agreement, i.e. for the first time for the financial year of va-Q-tec beginning on 1 January 2025 or the later financial year in which the Agreement is registered with the commercial register of va-Q-tec, generally no net profits by va-Q-tec will be accounted for the corresponding and subsequent financial years (with the exception of the reversal of pre-contractually formed free reserves or pre-contractual profit carryforwards). From this point in time, the right of the va-Q-tec Shareholders to decide on the appropriation of distributable profits regularly ceases to apply. As compensation for the loss of the dividend entitlement, Sec. 4 (2) of the Agreement establishes Fahrenheit's obligation for an appropriate Recurring Compensation Payment in favor of the outstanding va-Q-tec Shareholders. This Recurring Compensation Payment exists for the term of the Agreement beginning with the financial year of va-Q-tec for which Fahrenheit's claim to transfer profits becomes effective pursuant to Sec. 2 of the Agreement. Pursuant to Sec. 4 (5) of the Agreement, the Recurring Compensation Payment shall be due on the third business day after the ordinary general meeting of va-Q-tec for the respective expired financial year of va-Q-tec, but no later than eight months after the end of the respective financial year of va-Q-tec.

(c) **Type of Compensation**

(i) **Legal basis**

A domination and profit and loss transfer agreement must provide for an appropriate Compensation for the outstanding shareholders of the controlled company, i.e. va-Q-tec at the case at hand (Sec. 304 (1) sentences 1 and 2 AktG). This has to consist of a recurring cash payment in relation to each share held by the outstanding shareholder (Sec. 304 (1) sentences 1 and 2 AktG). The German Stock Corporation Act differs between two types of recurring compensation payments (see below under (1) and (2)).

(1) **Fixed recurring compensation**

As compensation, the annually recurring payment of a fixed cash amount can be guaranteed. In this case, the recurring compensation payment must be equal the amount which could be expected to be distributed on each individual share as average profit share *i.e.* as distributable profit for commercial law purposes, in view of the controlled company's past profitability and future earnings prospects, taking into account adequate depreciation, amortization and value allowances, but excluding the establishment of other profit reserves (Sec. 304 (2) sentence 1 AktG).

(2) **Variable recurring compensation**

If the other party to the agreement is a stock corporation, a partnership limited by shares or a European stock corporation (*Societas Europaea*) with its registered office in Germany, a variable recurring compensation based on the profit of the other party to the agreement may alternatively be assured as a guaranteed dividend and recurring compensation payment. The variable compensation must at least equal to the amount which, using an appropriate conversion ratio, is attributable to each share of the controlling company as a profit participation (Sec. 304 (2) sentences 2 and 3 AktG).

Even if variable compensation were legally possible in principle, the contract does not need to provide for fixed compensation and, alternatively, variable compensation in addition. Rather, in this case, the Contracting Parties may opt for one or the other type of compensation.

(ii) **Reasons for determining a fixed compensation**

The Agreement between va-Q-tec and Fahrenheit determines a fixed compensation. This is mainly due to the following reasons:

Fahrenheit, as the controlling company, is a limited liability company, so that there is not a choice as to the type of compensation. Only a fixed compensation can be considered. A variable compensation based on Fahrenheit's profits is not legally possible without a prior conversion of Fahrenheit into a stock corporation, a partnership limited by shares or a European stock corporation (*Societas Europaea*) with its registered office in Germany. Furthermore, such a compensation based on the profit of Fahrenheit would not be suitable to guarantee the right of the outstanding va-Q-tec Shareholders to an adequate compensation, since the participation in va-Q-tec will be by far the most valuable asset of Fahrenheit and thus the shareholders would economically only receive a compensation based on the profit of va-Q-tec. However, Fahrenheit could in principle exploit its control of va-Q-tec on the basis of the Agreement in a way that leads to a reduction in the profit of va-Q-tec. This would then also lead to lower compensation for the outstanding va-Q-tec shareholders.

(d) **Determination and amount of the Compensation**

Pursuant to Sec. 4 (1) and Sec. 4 (2) of the Agreement, Fahrenheit grants the outstanding va-Q-tec Shareholders the Compensation for the term of the Agreement. The amount as well as the determination of the Compensation are described below and in Sec. 10.2.

(i) **Amount of Compensation**

For the outstanding va-Q-tec Shareholders, Sec. 4 (1) in conjunction with Sec. 4 (3) of the Agreement provides for a Guaranteed Dividend of EUR 1.16 (corresponding to an amount of EUR 1.18 before any current corporation income tax and solidarity surcharge) per va-Q-tec Share for the financial year 2024 if the Agreement becomes effective in the financial year 2024 at the latest. To the extent that the dividend distributed for the financial year 2024 by va-Q-tec to the outstanding va-Q-tec Shareholders falls short of the amount of the Guaranteed Dividend, Fahrenheit will make the Guaranteed Payment to the outstanding va-Q-tec Shareholders.

Furthermore, upon the effectiveness of the obligation to transfer profits pursuant to Sec. 2 of the Agreement, i.e. for the first time beginning on 1 January 2025 or for the later financial year in which the Agreement becomes effective, Sec. 4 (2) in conjunction with Sec. 4 (3) of the Agreement provides for an annual Recurring Compensation Payment in the amount of EUR 1.16 (corresponding to an amount of EUR 1.18 before any current corporate income tax and solidarity surcharge) per va-Q-tec Share for each full financial year. This amount will be due in full annually for each full financial year, as no profits will be reported once the profit transfer obligation becomes effective (with the exception of the dissolution of pre-contractual free reserves or pre-contractual profit carryforwards) and the right of va-Q-tec Shareholders to decide on the appropriation of distributable profits will no longer apply. The annual Recurring Compensation Payment must be made by Fahrenheit even if va-Q-tec makes a loss.

(ii) **Adjustment mechanism of the Compensation**

With regard to the determination of the Compensation, the Contracting Parties took into account the rulings of the German Federal Court of Justice (*Bundesgerichtshof* – "***BGH***") (order of 21 July 2003, file no. II ZB 17/01 - "Ytong"). In this decision, the BGH decided that the outstanding shareholders must be granted a recurring compensation in the meaning of Sec. 304 (1) sentences 1 and 2, (2) sentence 1 AktG, using the average gross profit share that is expected to be distributable on each share as a fixed basis and deducting therefrom the corporate income tax burden in the relevant statutory amount. This is intended to ensure that a decrease in the corporate income tax rate compared with the rate applicable at the time of the valuation date does not lead to an unjustified advantage for the other party to the agreement (the controlling company) at the expense of the outstanding shareholders. Conversely, this is also intended to prevent the compensation arrangement from leading to an unjustified advantage for the outstanding shareholders at the expense of the other party to the agreement (the controlling company) in the event of a tax increase.

These principles are also to be applied accordingly to the solidarity surcharge levied in addition to the corporate income tax.

Based on the aforementioned case law of the BGH, a fixed Compensation in the form of the Guaranteed Dividend or the Recurring Compensation Payment is to be provided in the form of a gross profit share per va-Q-tec Share ("**Gross Compensation Amount**"), from which corporate income tax and solidarity surcharge are to be deducted at the respective tax rate applicable for the respective financial year of va-Q-tec for which a Compensation is paid ("**Net Compensation Amount**"). This creates a variable provision which, in the event of a change in the corporate income tax rate or the solidarity surcharge, immediately results in a corresponding adjustment of the Net Compensation Amount. However, the withholding of capital gains tax and solidarity surcharge is only to be made on that portion of the Gross Compensation Amount which relates to the profits subject to German corporate income tax.

In accordance with the corporate income tax rate of 15% and the solidarity surcharge of 5.5% applicable on the date of signing of the Contract Report, the Gross Compensation Amount determined by the Contracting Parties in accordance with the provision in Sec. 4 (3) of the Agreement, a total of EUR 0.02 per va-Q-tec Share shall be deducted, as per the Valuation Report of EY, from the Gross Compensation Amount of EUR 1.18 per va-Q-tec Share determined by the Contracting Parties in the Agreement, resulting in a Net Compensation Amount of EUR 1.16 per va-Q-tec Share for a full financial year of va-Q-tec as set forth in Sec. 4 (3) of the Agreement.

Pursuant to Sec. 4 (4) of the Agreement, it also applies that, to the extent required by law, the incurring source taxes (such as capital gains tax and solidarity surcharge) will be withheld from the Net Compensation Amount and therefore not paid out by Fahrenheit to the outstanding va-Q-tec Shareholders.

(iii) **Further explanations on Sec. 4 of the Agreement**

Upon effectiveness of the profit transfer in accordance with Sec. 2 of the Agreement, the outstanding va-Q-tec Shareholders shall no longer be entitled to a dividend unless profit reserves are formed from reserves or a profit carried forward from the period prior to the commencement of the Agreement and the general meeting resolves a distribution.

Sec. 4 (5) of the Agreement governs the due date of the Recurring Compensation Payment and the Guaranteed Payment. The Recurring Compensation Payment or Guaranteed Payment to be paid by Fahrenheit is due on the third business day after the ordinary general meeting of va-Q-tec for the respective past financial year, but the Recurring Compensation Payment no later than eight months after the end of the respective financial year.

If the Agreement ends during the course of a financial year of va-Q-tec or if Compensation is to be paid for an abbreviated financial year (*Rumpfgeschäftsjahr*) of va-Q-tec of less than twelve months, the Compensation for this financial year shall be reduced pro rata temporis (Sec. 4 (6) of the Agreement). This takes into account that the determined amount of Compensation is based on a period of twelve months, i.e. a full financial year.

Sec. 4 (7) sentence 1 of the Agreement governs the adjustment of the Compensation in the event of a capital increase of va-Q-tec using company funds. If new va-Q-tec Shares are issued by way of a capital increase using company funds, the Compensation per va-Q-tec Share shall be reduced to the extent that the total amount of the Compensation remains unaffected. The change in the number of va-Q-tec Shares held by an outstanding va-Q-tec Shareholder as a result of a capital increase using company funds therefore in this case does not affect the total amount of the Compensation to which this va-Q-tec Shareholder is entitled. The Compensation is therefore reduced in such a case in accordance with the capital increase ratio. This is required because a capital increase using corporate funds, i.e. the conversion of profit reserves or certain capital reserves into share capital, has no effect on the value and earning power of the company, and because the new va-Q-tec Shares from the capital increase using corporate funds are issued to the va-Q-tec Shareholders without consideration. This complies with the statutory provision of Sec. 216 (3) AktG according to which the economic content of contractual relationships of va-Q-tec with third parties, which depend on the profit distribution of va-Q-tec, the nominal amount or value of its shares or its share capital or otherwise on the previous capital or profit ratios, is not affected by the capital increase from corporate funds. If no new va-Q-tec Shares are issued as part of the capital increase using company funds, an adjustment of the Compensation is not necessary.

If the share capital of va-Q-tec is increased by issuing new va-Q-tec Shares against cash or contributions in kind, the claim of the outstanding shareholders for the Compensation shall also extend to the new va-Q-tec Shares created in the course of the capital increase (Sec. 4 (7) sentence 2 of the Agreement). This ensures that in the event of such increases of the share capital of va-Q-tec, not only the claims of the outstanding va-Q-tec Shareholders for the Compensation are unaffected, but also the new va-Q-tec Shares are treated in the same way as the existing va-Q-tec Shares.

Pursuant to Sec. 4 (7) sentence 3 of the Agreement, the commencement of the entitlement from the new shares follows in each case the dividend entitlement determined by va-Q-tec upon issuance of the new shares.

Sec. 4 (8) of the Agreement serves to protect and ensure equal treatment of all outstanding va-Q-tec Shareholders. If an outstanding va-Q-tec Shareholder claims that the Compensation is too low, it may apply to the court in an appraisal proceeding under the German Appraisal Proceedings Act (*Spruchverfahrensgesetz*, **"SpruchG"**) that the court determines an appropriate Compensation. All outstanding va-Q-tec Shareholders have a claim for a supplement of the Compensation in the event of any appraisal proceedings if the court legally determines a higher compensation (Sec. 13 sentence 2 SpruchG). Also, those va-Q-tec Shareholders are entitled to such claims who have accepted the offered severance payment in accordance with Sec. 5 of the Agreement (Sec. 4 (8) of the Agreement) in the meantime, and irrespective of whether the va-Q-tec Shareholders were involved in the appraisal proceeding (Sec. 13 sentence 2 SpruchG). The same applies under Sec. 4 (8) of the Agreement if Fahrenheit undertakes to pay a higher Compensation to an outstanding va-Q-tec Shareholder in a judicially recorded settlement (*gerichtlich protokollierter Vergleich)* or in a judicially approved settlement (*gerichtlich festgestellter Vergleich*) to end the appraisal proceedings pursuant to Sec. 11 (4) SpruchG.

4.5 **Severance payment (Sec. 5 of the Agreement)**

(a) **Type of severance payment**

In addition to the obligation to grant the Compensation in the form of the Guaranteed Dividend or the Recurring Compensation Payment pursuant to Sec. 304 AktG, the Agreement has to contain an obligation of Fahrenheit to acquire upon request of an outstanding va-Q-tec Shareholder, his or her va-Q-tec Shares in exchange for an appropriate severance payment (*Abfindung*) specified in the Agreement (Sec. 305 (1) AktG). Sec. 5 (1) of the Agreement provides for a severance payment in cash. The German Stock Corporation Act generally distinguishes between three cases for the type of severance (Sec. 305 (2) AktG).

(i) **Severance in shares of the other party of the Agreement**

If the other party to the Agreement (Fahrenheit) is a non-controlled and non-majority-owned stock corporation (*Aktiengesellschaft*), partnership limited by shares (*Kommanditgesellschaft auf Aktien*), or European stock corporation (*Societas Europaea*) with its registered office in a member state of the European Union or in another contracting state to the Agreement on the European Economic Area, the Agreement must provide for the granting of own shares of this company as severance payment (*Abfindung*) (Sec. 305 (2) no. 1 AktG)).

(ii) **Choice between severance payment in cash and severance payment in shares of the controlling company or company with a majority interest in the other party to the Agreement**

If the other party to the Agreement (Fahrenheit) is a controlled or majority-owned stock corporation (*Aktiengesellschaft*), partnership limited by shares or European stock corporation (*Societas Europaea*) and the controlling company is a stock corporation, partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or European stock corporation (*Societas Europaea*) with its registered office in a member state of the European Union or in another contracting state to the Agreement on the European Economic Area, the Agreement must provide either for granting shares in the controlling company or the company holding a majority participation or for granting a severance payment in cash (Sec. 305 (2) no. 2 AktG). In this case, the domination and profit and loss transfer agreement does not have to provide for both types of severance payment. The Contracting Parties can rather choose one type of severance payment.

(iii) **Severance paid in cash**

In any other cases, the Agreement must provide for a severance payment in cash (Sec. 305 (2) no. 3 AktG).

(b) **Reasons for granting a severance payment in cash**

Fahrenheit is organized in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law and is thus neither a stock corporation (*Aktiengesellschaft*) nor a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) nor a European stock corporation (*Societas Europaea*) with a registered office in a member state of the European Union or in another contracting state to the Agreement on the European Economic Area. Sec. 305 (2) no. 1 and no. 2 AktG therefore do not apply. For this reason, the Agreement had to provide for a severance payment in cash in accordance with Sec. 305 (2) no. 3 AktG.

(c) **Amount of severance payment**

Pursuant to Sec. 305 (1), (2) no. 3 AktG, Fahrenheit will offer the outstanding va-Q-tec Shareholders who wish to leave the company as a result of the conclusion of the Agreement a severance payment in cash in the amount of EUR 21.80 per va-Q-tec Share (Sec. 5 (1) of the Agreement). The amount as well as the determination of the appropriate severance payment are explained and substantiated in more detail in Sec. 10.3.

(d) **Other explanations on Sec. 5 of the Agreement**

Fahrenheit's obligation to acquire the va-Q-tec Shares in exchange for a severance payment is for a limited period of time in accordance with Sec. 5 (2) of the Agreement. The limited time period ends two months after the date on which the registration of the existence of the Agreement in the commercial register of va-Q-tec has been published in accordance with Sec. 10 HGB. The limited time period for the severance payment is permitted by the AktG and common practice. The provision of a two-month limited time period (Sec. 5 (2) sentence 2 of the Agreement) corresponds to the statutory provision of Sec. 305 (4) sentence 2 AktG.

Outstanding va-Q-tec Shareholders may, within three months after the date on which the existence of the Agreement has been registered with the commercial register of va-Q-tec, file an application for a court decision on the severance payment to be granted (Sec. 4 (1) SpruchG). If a court is requested to determine the Recurring Compensation payment or the severance payment, the period for accepting the offer to transfer the shares to Fahrenheit in exchange for the severance payment shall end no earlier than two months after the date on which the decision a va-Q-tec Shareholder's last motion ruled on has been published in the Federal Gazette (*Bundesanzeiger*) (Sec. 305 (4) sentence 3 AktG). Sec. 5 (2) sentence 3 of the Agreement stipulates that if an appraisal proceeding is initiated, the period for accepting the severance payment ends exactly two months after the day on which the decision on a va-Q-tec Shareholder's last motion ruled on is published in the Federal Gazette (*Bundesanzeiger*).

The declaration of the outstanding va-Q-tec Shareholders that they want to accept Fahrenheit's offer for the severance payment must be delivered to the central settlement agent appointed by Fahrenheit within the time period as explained above (cf. Sec. 5). After expiry of this time period, the offer of the severance payment can no longer be accepted.

After registration of the existence of the Agreement with the commercial register of va-Q-tec, the outstanding va-Q-tec Shareholders may decide to leave of va-Q-tec and to receive the offered severance payment, or instead to remain va-Q-tec Shareholders and receive the Compensation offered in Sec. 4 of the Agreement.

Sec. 5 (3) of the Agreement takes into account the principles already explained above with regard to Sec. 4 (7) of the Agreement in the event of a capital increase of va-Q-tec from corporate funds or against contributions. Reference is made to the corresponding explanations (above Sec. 4.4(d)(iii)).

In accordance with Sec. 5 (4) of the Agreement, acceptance of the offered severance payment is free of charge for the outstanding va-Q-tec Shareholders. This ensures that the outstanding va-Q-tec Shareholders are not charged with any expenses, commissions, or other processing fees by the banks and that the severance payment will be received without any reduction. This does not affect any taxes payable by an outstanding va-Q-tec Shareholder on a potential gain on the sale. These shall be borne by the respective outstanding va-Q-tec Shareholder. Reference is made to Sec. 7 of this Contract Report with regard to tax effects for the outstanding va-Q-tec Shareholders.

Sec. 5 (5) of the Agreement also serves to protect and ensure equal treatment of all outstanding va-Q-tec Shareholders. All outstanding va-Q-tec Shareholders have a right to demand payment of an amount in addition to the severance payment in the event of an appraisal proceeding (*Spruchverfahren*) in accordance with the SpruchG if the court determines a legally binding higher severance payment (Sec. 13 sentence 2 SpruchG). Pursuant to Sec. 13 sentence 2 SpruchG and Sec. 5 (5) of the Agreement, this claim shall also exist if the outstanding va-Q-tec Shareholder has already received the severance payment, irrespective of whether the outstanding va-Q-tec Shareholder was involved in any such appraisal proceeding (Sec. 13 Sentence 2 SpruchG). Pursuant to Sec. 5 (5) of the Agreement, outstanding va-Q-tec Shareholders who have already received a severance payment may demand an additional payment to the severance payment also in the event of a judicially recorded settlement (*gerichtlich protokollierter Vergleich)* or in a judicially approved settlement (*gerichtlich festgestellter Vergleich*) to end the appraisal proceedingspursuant to Sec. 11 (4) SpruchG according to which a higher severance payment is agreed.

The Agreement may be terminated by Fahrenheit in accordance with Sec. 7 (5) of the Agreement and by either Contracting Party in accordance with Sec. 7 (6) of the Agreement. If the termination occurs at a time when the time period for acceptance of the offered severance payment pursuant to Sec. 5 (2) of the Agreement already expired, each outstanding va-Q-tec Shareholder existing at that time shall be entitled pursuant to Sec. 5 (6) of the Agreement to sell the va-Q-tec Shares held by him or her at the time of the termination to Fahrenheit for an amount of EUR 21.80.

This amount shall be identical to the severance payment determined in Sec 5 (1) of the Agreement. If the amount of the severance payment pursuant to Sec. 5 (1) of the Agreement is increased by a legally binding decision in an appraisal proceeding (*Spruchverfahren*) or by a court settlement terminating an appraisal proceeding, the outstanding va-Q-tec Shareholders shall be entitled to exercise the right of disposal at the correspondingly increased amount of the severance payment.

This right of disposal provides additional protection to outstanding va-Q-tec Shareholders who initially decide not to accept the severance payment offered by Fahrenheit but to remain va-Q-tec Shareholders and receive the Compensation. There is no legal obligation for such a renewed offer of a severance payment in the event of the termination of a domination and profit and loss transfer agreement.

This renewed right of disposal is also limited in time. It may be exercised up to two months after the date on which the registration of the termination of the Agreement with the commercial register of va-Q-tec has been announced in accordance with Sec. 10 HGB. The sale of va-Q-tec Shares in accordance with Sec. 5 (6) of the Agreement is also free of charge for the outstanding va-Q-tec Shareholders, which results from the corresponding application of Sec. 5 (4) of the Agreement. The corresponding application of Sec. 5 (3) of the Agreement takes into account possible increases in the share capital of va-Q-tec from corporate funds or against contributions (cf. above Sec. 4.4(d)(iii)). The aforementioned right of disposal shall apply both, in the event of the termination by Fahrenheit and in the event of the termination by va-Q-tec. It should be noted that a termination without cause of the Agreement during the fixed term of the Agreement is excluded under Sec. 7 (5) of the Agreement (cf. Sec. 4.7(d)).

The severance payment owed pursuant to Sec. 5 (6) of the Agreement shall become due, if claimed in due time, prior to the expiring of the tender period and delivery of the va-Q-tec Shares offered for transfer to Fahrenheit, and shall bear interest at an annual rate of 5% points over the respective base interest rate pursuant to Sec. 247 BGB after the expiry of the tender period and delivery of the va-Q-tec Shares offered for transfer to Fahrenheit. The interest provision of Sec. 305 (3) sentence 3 AktG does not apply to a severance payment owed pursuant to Sec. 5 (6) of the Agreement; this also applies if a corresponding interest rate has been determined for the severance payment under Sec. 5 (1) of the Agreement by a legally binding decision in an appraisal proceeding (*Spruchverfahren*) under the SpruchG or in a judicially recorded settlement (*gerichtlich protokollierter Vergleich)* or in a judicially approved settlement (*gerichtlich festgestellter Vergleich*) pursuant to Sec. 11 (4) SpruchG.

4.6 Information right (Sec. 6 of the Agreement)

Sec. 6 of the Agreement provides for Fahrenheit's right to request information and va-Q-tec's abligation to provide information.

Pursuant to Sec. 6 (1) of the Agreement, Fahrenheit shall be entitled to inspect the books and records of va-Q-tec at any time. In addition, pursuant to Sec. 6 (2) of the Agreement, the management board of va-Q-tec shall be obligated to provide Fahrenheit at any time with all requested information on all matters concerning va-Q-tec. In addition, under Sec. 6 (3) of the Agreement, the management board of va-Q-tec is obligated to keep Fahrenheit informed of business developments, and in particular of significant business incidents, on an ongoing basis. Any statutory provisions contrary to these obligations shall remain unaffected in accordance with Sec. 6 (4) of the Agreement.

The right for information is intended to enable Fahrenheit to exercise its power of management and its right to issue instructions to va-Q-tec on the basis of appropriate information. Accordingly, Fahrenheit is granted a comprehensive right for inspection, which is, independent therefrom, supplemented by va-Q-tec's obligation to provide information. This allows to eliminate an existing information gap quickly and efficiently and enables Fahrenheit to align its power to manage and issue instructions with the groups' interests in full knowledge of all information.

4.7 **Effectiveness and term (Sec. 7 of the Agreement)**

(a) **Effectiveness**

In accordance with the statutory approval requirements pursuant to Sec. 293 AktG, Sec. 7 (1) of the Agreement stipulates that the Agreement shall require the approval of the shareholders' meeting of Fahrenheit and the general meeting of va-Q-tec in order to become effective. The ordinary general meeting of va-Q-tec is expected to pass a resolution upon the approval of the Agreement on 29 August 2023. It is planned that the shareholders' meeting of Fahrenheit will grant its approval to the draft of the Agreement before this ordinary general meeting.

Due to the statutory provision of Sec. 294 (2) AktG, it is further intended that the Agreement shall only become effective upon its registration with the commercial register of va-Q-tec, but no earlier than the beginning of the financial year commencing on 1 January 2024 (Sec. 7 (2) of the Agreement).

(b) **Commencement of the term of the Agreement**

(i) **Effectiveness of the right of management control and the right to issue instructions pursuant to Sec. 1 of the Agreement**

The right of management control and the right to issue instructions pursuant to Sec. 1 of the Agreement and the corresponding obligation of va-Q-tec to follow these shall exist as of the date on which the Agreement becomes effective by registration with the commercial register of va-Q-tec, but no earlier than the beginning of the financial year of va-Q-tec commencing on 1 January 2024.

(ii) **Effectiveness of the obligation to transfer profits pursuant to Sec. 2 of the Agreement**

The obligation to transfer profits under Sec. 2 of the Agreement applies for the first time to the entire profit generated in the financial year of va-Q-tec beginning on 1 January 2025 or the later financial year of va-Q-tec in which the Agreement becomes effective. If the Agreement becomes effective by registration with the commercial register of va-Q-tec in the financial year 2024 of va-Q-tec, Fahrenheit's right of management control and the right to issue instructions pursuant to Sec. 1 of the Agreement shall already apply from the time of registration, but the obligation to transfer profits shall only commence with the financial year of va-Q-tec beginning on 1 January 2025. Regarding the reasons for the postponement of the start of the obligation to transfer profits reference is made to the explanation above in Sec. 4.2.

(iii) **Effectiveness of the obligation to compensate for losses pursuant to Sec. 3 of the Agreement**

Pursuant to Sec. 3 (2) of the Agreement, the obligation to compensate for losses applies for the first time to the entire financial year of va-Q-tec in which the Agreement becomes effective by way of registration with the commercial register of va-Q-tec, but no earlier than the beginning of the financial year of va-Q-tec commencing on 1 January 2024. If the registration of the Agreement with the commercial register of va-Q-tec does not coincide with the beginning of the financial year, but the registration takes place later, the obligation to compensate for losses shall consequently exist retroactively for the part of the financial year of va-Q-tec already lapsed at the time of the registration with the commercial register of va-Q-tec.

(c) **Term of the Agreement / minimum term**

The Agreement is concluded for an indefinite period of time in accordance with Sec. 7 (4) of the Agreement. Sec. 7 (5) sentence 1 of the Agreement provides for a fixed minimum term, *i.e.* until the end of the financial year of va-Q-tec of which the conditions set out in Sec. 14 (1) sentence 1 no. 3 KStG (or corresponding successor provisions) in the version applicable for the relevant period for the recognition of a corporate income tax and trade tax fiscal unity is fulfilled, but no earlier than five full years (60 months), calculated from the beginning of the financial year of va-Q-tec for which the obligation to transfer profits pursuant to Sec. 2 of the Agreement exists for the first time. In the event that the obligation to transfer profits under Sec. 2 of the Agreement begins (possibly retroactively) on 1 January 2025, the contractual minimum term would therefore run until 31 December 2029. Pursuant to Sec. 14 (1) sentence 1 no. 3 KStG, the contractually stipulated fixed minimum term of five full years is a prerequisite for the effective establishment of a corporate income tax and trade tax fiscal unity between Fahrenheit and va-Q-tec. Sec. 7 (5) of the Agreement meets this requirement. In addition, pursuant to Sec. 14 (1) sentence 1 No. 3 sentence 1 KStG, the Agreement must actually be implemented during its entire period of validity (cf. Sec. 3.2). During the minimum term stipulated in Sec. 7 (5) of the Agreement, the ordinary right of termination is excluded (Sec. 297 (2) AktG).

(d) **Termination of the Agreement**

The Agreement may be terminated by Fahrenheit for the first time by observing a six months' notice period as of the end of the minimum term described in Sec. 4.7(c) (if this end of the minimum term falls at the end of a financial year), and thereafter with this notice period in each case as of the end of a financial year (Sec. 7 (5) sentence 1 of the Agreement). The termination requires written form (Sec. 297 (3) AktG) (Sec. 7 (9) of the Agreement). The ordinary right of termination of va-Q-tec is excluded (Sec. 7 (5) sentence 3 of the Agreement).

Pursuant to Sec. 7 (6) of the Agreement, the provisions on the minimum term shall not affect the right of the Contracting Parties to terminate the Agreement without notice in the event of cause (*wichtiger Grund*). Pursuant to Sec. 297 (1) sentence 2 AktG a cause (*wichtiger Grund*) for termination exists, if the other party to the Agreement is not expected to be able to fulfill its obligations under the Agreement. In addition, cause (*wichtiger Grund*) for termination exists if, taking into account all the circumstances, the party willing to terminate the Agreement can no longer reasonably be expected to continue the contractual relationship.

Sec. 7 (6) of the Agreement contains further cases for a termination for cause (*wichtiger Grund*). The non-exhaustive list contained therein includes as an example the loss of a direct or indirect majority of Fahrenheit's voting rights at the general meeting of va-Q-tec, a change of legal form of va-Q-tec to a legal form which cannot be a controlled company, a merger, spin-off or liquidation of Fahrenheit or va-Q-tec with the exception of a spin-off of va-Q-tec by way of a spin-off of parts of its assets (*Ausgliederung*) to a wholly owned subsidiary, the cessation of the financial integration of va-Q-tec into Fahrenheit within the meaning of Sec. 14 (1) sentence 1 No. 1 of the KStG, other circumstances constituting cause (*wichtiger Grund*) in the tax sense for the termination of the Agreement, and the non-fulfillment of payment obligations under the Agreement by Fahrenheit after the expiration of a grace period for payment set by va-Q-tec of at least one month.

Therefore for instance, a downturn in va-Q-tec's financial position or results of operations may entitle Fahrenheit to terminate the Agreement if the risks resulting therefrom for Fahrenheit are no longer acceptable to Fahrenheit and Fahrenheit is not responsible for the situation. va-Q-tec as a controlled company may, for example, terminate the Agreement if Fahrenheit as the controlling company is no longer in a position to meet its obligations under the Agreement (compensation of losses, Compensation and severance payment).

In particular, cause (*wichtiger Grund*) for termination also exists if cause (*wichtiger Grund*) in a fiscal sense is relevant for the termination of the Agreement. This provision ensures that Fahrenheit is also entitled under stock corporation law to terminate the Agreement for cause (*wichtiger Grund*) in the event of a termination for cause (*wichtiger Grund*) that is harmless under tax law. This provision is to be seen against the background of the applicable tax law. The conclusion of a profit and loss transfer agreement is necessary in order to be able to establish the intended corporation income tax and trade tax fiscal unity between Fahrenheit and va-Q-tec. In addition to the minimum contractual term pursuant to Sec. 14 (1) sentence 1 No. 3 KStG, one of the prerequisites of this corporation income tax and trade tax fiscal unity is that va-Q-tec as the controlled company is financially integrated into Fahrenheit as the controlling company in such a way that Fahrenheit is entitled to the majority of the voting rights of the controlled company without interruption from the beginning of its financial year. Furthermore, the profit and loss transfer agreement must be concluded for a minimum term of five years and must actually be performed during its term.

The termination of the profit and loss transfer agreement prior to the end of the minimum term pursuant to Sec. 14 (1) sentence 1 No. 3 KStG generally leads to non-recognition of the tax group from the outset. Only a termination for cause (*wichtiger Grund*) - from a tax point of view accepted - does not affect the tax group for financial years already completed, even if it occurs within the minimum term of the profit and loss transfer agreement for tax purposes. The same applies to the merger, spin-off or liquidation of one of the two parties. Sec. 7 (6) of the Agreement reflects these principles of tax law and has the effect that in the event of a termination of the Agreement for cause accepted from a tax point of view, it may also be terminated for cause (*wichtiger Grund*) under stock corporation law.

To the extent that a termination for cause (*wichtiger Grund*) is based on Sec. 7 (6) of the Agreement and the requirements of Sec. 297 (1) AktG are not simultaneously met, Sec. 297 (2) AktG remains applicable. Accordingly, termination by va-Q-tec requires a separate resolution of the outstanding shareholders.

If the Agreement is terminated without notice for cause (wichtiger *Grund*), it shall end in accordance with Sec. 7 (7) of the Agreement at the end of the day specified in the notice of termination, but at the earliest at the end of the day on which the notice of termination is received.

(e) **Security deposit**

In the event of termination of the Agreement, Fahrenheit shall also provide security to the creditors of va-Q-tec in accordance with Sec. 303 AktG and Sec. 7 (8) of the Agreement if the creditors approach Fahrenheit for this purpose within six months after the announcement of the registration of the termination of the Agreement with the commercial register of va-Q-tec. However, this obligation shall only apply to those creditors whose claims were established before the registration of the termination of the domination or profit and loss transfer agreement in the commercial register of va-Q-tec was announced in accordance with Sec. 10 HGB and who, in the event of insolvency proceedings, do not have a right to preferential satisfaction from a collateral pool (*Deckungsmasse*) established for their protection in accordance with statutory provisions and which is state-tested. Pursuant to Sec. 303 (3) AktG, Fahrenheit may act as guarantor for the claim instead of providing security, and Sec. 349 HGB on the exclusion of the defense of anticipatory action does not apply in this case. According to high court legislation (*höchstrichterliche Rechtsprechung*), Secs. 26, 160 HGB and Sec. 327 (4) AktG apply by analogy to the obligation to provide security, so that it only applies to claims that fall due for payment by va-Q-tec before the expiration of five years after the announcement of the termination of the Agreement with the commercial register.

4.8 Final provisions (Sec. 8 of the Agreement)

Amendments and or supplements to this Agreement must be made in writing in accordance with Sec. 8 (1) of the Agreement unless a stricter form is required by law. This also applies to this written form clause itself. Otherwise, Sec. 295 AktG shall apply, which stipulates that inter-company agreements may only be amended with the consent of the general meeting of va-Q-tec and the shareholders' meeting of Fahrenheit.

Sec. 8 (2) of the Agreement (severability clause) is intended to ensure that the essential content of the Agreement is maintained if, contrary to expectations, individual provisions of the Agreement should prove to be wholly or partially invalid, unenforceable or incomplete. This is a provision typically contained in domination and profit and loss transfer agreements. In addition, it is clarified that this Agreement does not form or is not intended to form a legal unit within the meaning of Sec. 139 BGB with other legal transactions or agreements entered into or concluded between the parties or with their participation.

Pursuant to Sec. 8 (3) of the Agreement, the corporate income tax provisions and requirements for the recognition of a tax group are to be observed in the interpretation of the Agreement, in particular Secs. 14 - 19 KStG as amended from time to time.

To the extent legally permissible, Sec. 8 (4) of the Agreement determines Wuerzburg as the place of performance for the mutual obligations arising from this Agreement and as the exclusive place of jurisdiction.

5. Payment of Compensation and severance payment (Bank Settlement)

Fahrenheit will appoint a bank as central settlement agent, with the securities settlement of the payment of the severance payment pursuant to Sec. 5 of the Agreement. The appointed central settlement agent will be announced by Fahrenheit in the Federal Gazette (*Bundesanzeiger*) immediately after the registration of the Agreement with the commercial register of va-Q-tec together with the further details of the settlement. The va-Q-tec Shareholders who want to accept the offer for severance payment must instruct their custodian bank to make their va-Q-tec Shares available to the central settlement agent via the collective custody system to receive the severance payment. The severance payment will then be paid out concurrently (*Zug um Zug*) for the proper transfer of the va-Q-tec Shares. This settlement of the severance payment shall be free of commission and expenses for the outstanding va-Q-tec Shareholders (cf. Sec. 4.5(d)) and shall be offered to all outstanding va-Q-tec Shareholders. Details of the settlement will be announced immediately after registration of the Agreement with the commercial register of va-Q-tec.

The payment of the Compensation in the form of the Guaranteed Dividend or the Recurring Compensation Payment pursuant to Sec. 4 of the Agreement shall be processed in the same way as a dividend payment.

6. LEGAL IMPLICATIONS FOR THE OUTSTANDING VA-Q-TEC SHAREHOLDERS

6.1 Effects under corporate law

Performance of the Agreement will affect the outstanding va-Q-tec Shareholders' administrative and property rights conferred on them by virtue of their ownership in the shares.

Upon effectiveness of Fahrenheit's right of management control and right to issue instructions to va-Q-tec in accordance with Sec. 1 (1) of the Agreement, i.e. upon registration of the Agreement with the commercial register of va-Q-tec, va-Q-tec puts the management of the company under Fahrenheit's control. Fahrenheit shall then be entitled to issue binding instructions to the management board of va-Q-tec with regard to the management of va-Q-tec, with it being possible to align the management of va-Q-tec exclusively with the interests of Fahrenheit or companies affiliated with Fahrenheit. The management board of va-Q-tec is obligated to follow Fahrenheit's instructions within the existing legal boundaries. Pursuant to the Agreement, Fahrenheit may also issue adverse instructions to va-Q-tec, provided that such instructions serve the interests of Fahrenheit or companies affiliated with Fahrenheit and are not impermissible for other reasons, such as violation of mandatory legal provisions. Such adverse instructions may, notwithstanding Fahrenheit's obligation to compensate any annual losses, have a material adverse effect on va-Q-tec's financial condition and results of operations, which may continue to have an effect even after any termination of the Agreement.

The outstanding va-Q-tec Shareholders will therefore be adversely affected in their administrative rights and potentially in their property rights by Fahrenheit's management and instruction rights vis-à-vis va-Q-tec as agreed in the Agreement. For these adverse effects, the outstanding va-Q-tec Shareholders will be compensated for the financial year in which only the right of management control and instructions pursuant to Sec. 1 of the Agreement, but not the obligation to transfer profits pursuant to Sec. 2 of the Agreement, becomes effective, i.e. for the entire financial year 2024 of va-Q-tec, provided that the Agreement becomes effective not later than in the financial year 2024 by registration with the commercial register of va-Q-tec, by the obligation of

Fahrenheit to pay an appropriate Guaranteed Dividend and respectively for financial years for which the profits pursuant to Sec. 2 of the Agreement also exists, by the obligation to grant an appropriate Recurring Compensation Payment (see Sec. 4.4(a)). Furthermore, they may alternatively make use of the offer for severance payment pursuant to Sec. 5 of the Agreement (see Sec. 4.5) and sell their va-Q-tec Shares to Fahrenheit.

Once the obligation to transfer the annual profits pursuant to Sec. 2 of the Agreement has become effective, i.e. as of the financial year beginning on 1 January 2025, provided that the Agreement is registered with the commercial register () of va-Q-tec by the end of the financial year beginning on 1 January 2025, or in a subsequent financial year, provided that the registration is not made until then (cf. the explanations above in Sec. 4.2), va-Q-tec will no longer report any net income for the year and – apart from any income from the dissolution of reserves that are not subject to the contractual profit transfer or any distributable profit as a result of any profit brought forward prior to registration of the Agreement – will also not report any balance sheet profit. This means that the outstanding va-Q-tec Shareholders will in principle not receive any dividends from the time obligation to transfer profits takes effect during the term of the Agreement. Their right to decide on the use of any distributable profit arising during the term of the Agreement will regularly cease to apply.

To safeguard the interests of the outstanding va-Q-tec Shareholders, they have a claim against Fahrenheit for an appropriate guaranteed dividend and a recurring compensation payment in accordance with Sec. 304 AktG. The Guaranteed Payment respectively Recurring Compensation Payment to be made in accordance with Sec. 4 of the Agreement will be paid to the outstanding va-Q-tec Shareholders without delay after the due date specified in Sec. 4 (5) of the Agreement. This payment will be technically processed via the relevant custodian banks, as in the case of a dividend payment (see Sec. 5).

As an alternative to receiving the Guaranteed Dividend or the Recurring Compensation Payment, the outstanding va-Q-tec Shareholders can make use of the offered severance payment pursuant to Sec. 305 AktG and sell their va-Q-tec Shares in return for the severance payment set out in Sec. 5 (1) of the Agreement. With regard to the details of the Guaranteed Dividend, Recurring Compensation Payment and severance payment, reference is made to the above explanations in Sec. 4.4 and Sec. 4.5 to Sec. 4 and Sec. 5 of the Agreement.

The right to the severance payment is not lost by the outstanding va-Q-tec Shareholders due to the fact that they have already accepted payments of the Compensation in the form of the Guaranteed Payment or Recurring Compensation Payment. If the acceptance of the offered severance payment occurs only after Compensation has already been paid, which may be the case in particular if the severance payment is accepted during or after the end of an appraisal proceeding (cf. Sec. 305 (4) sentence 3 AktG and Sec. 5 (2) sentence 3 of the Agreement), payments of the Compensation already received in the form of the Guaranteed Payment and

Recurring Compensation Payment shall be offset against the claim to interest on the severance payment under Sec. 305 (3) sentence 3 AktG. The offset shall be made according to reference periods, regularly financial years, whereby the va-Q-tec Shareholder entitled to the severance payment shall be entitled to the corresponding difference between the Compensation and the interest on the severance payment for the respective reference period both if the Compensation received is lower than the interest on the severance payment and if the interest on the severance payment in that period falls short of the higher Compensation. In this context, the offset of the Compensation against the interest to be paid on the severance payment shall only take place for the Compensation that relates to the period from registration of the Agreement in the commercial register of va-Q-tec. There will be no offset of any Compensation already received against the severance payment itself. This procedure is in line with the statutory provisions, taking into account the case law of the Federal Supreme Court (ruling of 16 September 2002, case no. II ZR 284/01 - "Rütgers"; ruling of 2 June 2003, case no. II ZR 85/02; ruling of 10 December 2007, case no. II ZR 199/06).

Upon the effectiveness of the Agreement, Fahrenheit shall be obliged to acquire the va-Q-tec Shares of the outstanding va-Q-tec Shareholders at their request in return for the severance payment specified in Sec. 5 (1) of the Agreement. As from this time, the outstanding va-Q-tec Shareholders may exercise their right to transfer their va-Q-tec Shares to Fahrenheit in exchange for the severance payment specified in the Agreement by way of declaration to their respective custodian bank (cf. Sec. 5). The severance payment pursuant to Sec. 5 of the Agreement will bear an annual interest rate of five percentage points above the respective base interest rate pursuant to Sec. 247 BGB from the end of the day on which the Agreement became effective (pursuant to Sec. 7 (2) of the Agreement upon registration with the commercial register of va-Q-tec, but no earlier than the beginning of the financial year of va-Q-tec commencing on 1 January 2024) (Sec. 305 (3) sentence 3 AktG). Those va-Q-tec Shareholders who do not exercise their right to transfer their va-Q-tec Shares to Fahrenheit shall continue to be va-Q-tec Shareholders and shall receive the Compensation annually in the form of the Guaranteed Dividend or the Recurring Compensation Payment.

Immediately after registration of the Agreement with the commercial register of va-Q-tec, the further details of the procedural steps of the severance payment will be published in the Federal Gazette (*Bundesanzeiger*) and communicated to the outstanding va-Q-tec Shareholders via the respective custodian banks. The settlement of the transfer of va-Q-tec Shares to Fahrenheit as a result of acceptance of the offered severance payment shall be free of charge for va-Q-tec Shareholders (Sec. 5 (4) of the Agreement).

The obligation of Fahrenheit to acquire va-Q-tec Shares of the outstanding va-Q-tec Shareholders against the severance payment only exists for a limited time period pursuant to Sec. 5 (2) of this Agreement. The declaration of the outstanding va-Q-tec Shareholders that they want to accept Fahrenheit's offer for severance payment must be submitted to the central settlement agent appointed by Fahrenheit within this time period (cf. the explanations above in Sec. 4.5(d) on the details of the limited time period for Fahrenheit's obligation). After the expiration of the limited time period, acceptance of the offered severance payment will be no longer possible.

If the period for accepting the offered a severance payment is extended due to an appraisal proceeding in accordance with Sec. 305 (4) sentence 3 AktG and outstanding va-Q-tec Shareholders accept the offered severance payment in due time after the end of the appraisal proceeding, having already received the Guaranteed Dividend or Recurring Compensation Payment in accordance with Sec. 4 of this Agreement, the payments already received shall be offset against the entitlement to interest on the severance payment in accordance with Sec. 305 (3) sentence 3 AktG (see above).

Furthermore, the conclusion of the Agreement has no legal effects on the participation of the outstanding va-Q-tec Shareholders. In particular, the conclusion or registration of the Agreement with the commercial register of va-Q-tec does not result in any change in the voting and other participation rights associated with their va-Q-tec Shares.

The stock exchange listing of the va-Q-tec Shares will not be affected by the registration of the Agreement with the commercial register of va-Q-tec. However, it cannot be ruled out that a large proportion of the outstanding va-Q-tec Shareholders will accept the offer for severance payment and that the amount of va-Q-tec Shares held in free float will be further reduced. This may adversely affect the ability of va-Q-tec Shareholders to sell their va-Q-tec Shares at a reasonable price beyond the impending delisting.

6.2 Protection of the outstanding va-Q-tec Shareholders

As described, the protection of the outstanding va-Q-tec Shareholders in connection with the conclusion of the Agreement is ensured by granting the Guaranteed Dividend, the Recurring Compensation Payment and the offered severance payment, which are reviewed for adequacy by a court-appointed Contract Auditor (see Sec. 6.2(b)). If in the opinion of outstanding va-Q-tec Shareholders, the Guaranteed Dividend, the Recurring Compensation Payment and/or the severance payment specified in the Agreement is/are not appropriate, they may request the review of its appropriateness in an appraisal proceeding.

(a) Compensation and severance payment

For the restriction of their administrative control rights by the effectiveness of the right of management control and the right to issue instructions in accordance with Sec. 1 of the Agreement, the outstanding va-Q-tec Shareholders shall receive a claim against Fahrenheit for payment of a Guaranteed Dividend in accordance with Sec. 4 (1) of the Agreement in conjunction with Sec. 304 AktG for the financial year 2024, if the Agreement becomes effective in the financial year 2024.

For the subsequent financial years, for which va-Q-tec is also obligated to transfer profits in accordance with Sec. 2 of the Agreement, the outstanding va-

Q-tec Shareholders shall receive a claim against Fahrenheit for payment of the annual Recurring Compensation Payment in accordance with Sec. 4 (2) of the Agreement in conjunction with Sec. 304 AktG for the restriction of their administrative control rights and the loss of their dividend.

Based on the Valuation Report of EY, the Contracting Parties have determined a Gross Compensation Amount of EUR 1.18, which is EUR 0.08 higher than the appropriate Gross Compensation Amount determined by EY. Corporate income tax as well as solidarity surcharge or other taxes replacing or supplementing the same or to be imposed in the withholding tax procedure are to be subtracted from this amount in accordance with the respective tax rate applicable for the respective financial year of va-Q-tec, whereby this deduction shall only be made on the partial amount included in the gross amount which relates to the profits charged with German corporate income tax (cf. the calculation in Sec. 4.4(d)(ii)). This results in a Net Compensation Amount of EUR 1.16 per va-Q-tec Share for a full financial year of va-Q-tec.

Alternatively, after registration of the existence of the Agreement with the commercial register of va-Q-tec, the outstanding va-Q-tec Shareholders have the right to transfer the va-Q-tec Shares held by them to Fahrenheit in exchange for an appropriate compensation, i.e. to make use of Fahrenheit's offer for a severance payment pursuant to Sec. 305 AktG. The determination of the compensation in the amount of EUR 21.80 per va-Q-tec Share as stipulated in Sec. 5 (1) of the Agreement was based on the circumstances of va-Q-tec as they exist at the time of the resolution of the planned Annual General Meeting of va-Q-tec on 29 August 2023 (cf. the detailed explanation and justification of the appropriateness of the compensation in Sec. 10.3).

In the event that the Agreement is terminated by one of the Contracting Parties, the outstanding va-Q-tec Shareholders existing at the time of termination are entitled to sell their va-Q-tec Shares to Fahrenheit at the same price within a period of two months after the day on which the registration of the termination of the Agreement with the Commercial Register of va-Q-tec has been announced in accordance with Sec. 10 HGB (see Sec. 4.5(d)).

(b) **Agreement audit by an expert auditor**

At the joint request of the management board of va-Q-tec and the managing board of Fahrenheit, the Regional Court (*Landgericht*) of Nuremberg-Fuerth, Germany, by resolution dated 17 February 2023, and amending resolution of the Regional Court (*Landgericht*) of Nuremberg-Fuerth dated 23 February 2023, selected and appointed Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Holzmarkt 1, 50676 Cologne, Germany, as expert auditor within the meaning of Sec. 293b (1) AktG. The aforementioned resolutions are attached to the report as **Annex 4.** Ebner Stolz audits the Agreement and, in particular, the appropriateness of the

Guaranteed Dividend, the annual Recurring Compensation Payment and the severance payment and prepares an Audit Report on this in accordance with Sec. 293e AktG. This Audit Report, together with the documents referred to in Sec. 293f (1) AktG, will be made available as of the convocation of the general meeting which resolves on the approval of the Agreement and which is to take place on 29 August 2023 via the website of va-Q-tec:

https://ir.va-q-tec.com/websites/vaqtec/German/600/hauptversammlung.html

In addition, these documents will also be available for inspection by va-Q-tec Shareholders at the offices of va-Q-tec from the convocation of the general meeting until the end of the general meeting and will also be available at the general meeting of va-Q-tec on 29 August 2023. Upon request, each va-Q-tec Shareholder will be provided with a copy of these documents without delay and free of charge.

(c) **Appraisal proceedings**

If va-Q-tec Shareholders are of the opinion that the amount of the Guaranteed Dividend or the Recurring Compensation Payment specified in the Agreement under Secs. 4(1), 4 (2) and 4 (3) is not appropriate, they may, after the effectiveness of the Agreement, request the review of its appropriateness by court in an appraisal proceeding in accordance with Sec. 304 (3) sentence 3 AktG in conjunction with Sec. 1 no. 1 SpruchG. The right to request the initiation of an appraisal proceeding does not depend as to whether objection was declared to the resolution in the general meeting on the approval of the Agreement and recorded in the minutes taken by the attesting notary.

A motion for judicial review of the Guaranteed Dividend or the Recurring Compensation Payment in an appraisal proceeding may be filed within three months after the date on which the existence of the Agreement was registered with the commercial register of va-Q-tec. A statement of reasons for the motion pursuant to Sec. 4 (2) SpruchG must be submitted within the above period of three months. If the competent court determines a higher Guaranteed Dividend or Recurring Compensation Payment in a final and non-appealable decision in such appraisal proceeding, such decision will be effective for and against all outstanding va-Q-tec Shareholders; therefore, the outstanding va-Q-tec Shareholders not involved in the appraisal proceedings also have a claim against Fahrenheit for the judicially increased Guaranteed Dividend or Recurring Compensation Payment (Sec. 13 sentence 2 SpruchG, in addition, see above, Sec. 4.4(d)(iii)).

In this event, Fahrenheit may terminate the Agreement without notice within two months after the court decision has become final (Sec. 304 (4) AktG).

If outstanding va-Q-tec Shareholders are of the opinion that the severance payment set out in Sec. 5 (1) of the Agreement is too low, they may also request the review of the appropriateness of the offered severance payment by court in an appraisal proceeding pursuant to Sec. 305 (5) sentence 2 AktG in conjunction with Sec. 1 no. 1 SpruchG. The above statements on the Guaranteed Dividend or Recurring Compensation Payment shall apply mutatis mutandis with regard to the deadline for filing an application, the grounds for the application, the effect of the court decision in such appraisal proceeding and Fahrenheit's right of termination following a court determination of a higher severance payment (in addition, see above, Sec. 4.4(d)(iii) and Sec. 4.5(d)).

7. TAX EFFECTS FOR THE OUTSTANDING VA-Q-TEC SHAREHOLDERS

7.1 Preliminary remarks

The following statements include a brief summary of some important German taxation principles that may be relevant in connection with the conclusion of the Agreement for the outstanding va-Q-tec Shareholders with unlimited tax liability in Germany.

Tax effects for outstanding va-Q-tec Shareholders subject to limited tax liability in Germany are not explained below. These effects depend, among other factors, on special provisions of German tax law, the tax law of the country in which the respective va-Q-tec Shareholder is domiciled, and the provisions of any existing treaty for the avoidance of double taxation (double taxation treaty).

The description in general relates only to corporate income tax, income tax, withholding tax, trade tax and the solidarity surcharge which accrue in Germany, but not to church tax. The description only deals with some selected aspects of these types of taxes. For example, the description does not address the special characteristics of so-called lock-up shares acquired as consideration for a tax-privileged contribution under the German Transformation Tax Act (*Umwandlungssteuergesetz*), nor the special provisions for certain companies in the financial and insurance industries. This summary is based only on the currently applicable law as applied by tax authorities and the tax courts in their rulings as of the date of this Contract Report. This situation may change, potentially also with retroactive effect.

No guarantee is provided for the completeness and correctness of this description. This summary is not intended to be, and should not be construed as, tax advice.. va-Q-tec Shareholders are recommended to consult their tax advisors. Only tax advisors are able to reasonably consider the specific tax circumstances of the individual va-Q-tec Shareholder.

7.2 Taxation of a differential amount payable as a result of the Guaranteed Dividend for va-Q-tec Shareholders

For the differential amount to be paid in accordance with Sec. 4 (1) of the Agreement between the dividend paid by va-Q-tec and the Guaranteed Dividend guaranteed by Fahrenheit for the financial year 2024, the following explanations under Sec. 7.3 on the taxation of the Recurring Compensation Payments shall apply respectively.

7.3 Taxation of Recurring Compensation Payments by va-Q-tec Shareholders

With regard to the va-Q-tec Shareholders, the Recurring Compensation Payment (*Ausgleichszahlung*) as provided for in Sec. 4 (2) of the Agreement is likely to be subject to the general rules on the taxation of dividends.

(a) Withholding tax

Withholding tax of 25% and the solidarity surcharge levied thereon of 5.5% (resulting in a total tax deduction including the solidarity surcharge of 26.375%) will generally be deducted from the Recurring Compensation Payment when it is made. Withholding tax is generally deducted and paid irrespective of the amount in which the payment is actually subject to tax at the level of the shareholders.

With regard to va-Q-tec Shareholders holding their va-Q-tec Shares as private assets, the withholding tax generally has the effect of finally settling the shareholders tax liability for the Recurring Compensation Payment (referred to as flat-rate withholding tax (*Abgeltungssteuer*)). Subject to certain requirements, va-Q-tec Shareholders holding their shares as private assets can apply for exemption from such flat-rate withholding tax. By contrast, withholding tax accruing to va-Q-tec Shareholders holding their va-Q-tec Shares as part of their business assets is generally credited against the relevant shareholder's income tax or corporate income tax. To the extent that the deducted withholding tax exceeds the personal tax liability of these va-Q-tec Shareholders, it will be refunded. The same applies to the solidarity surcharge.

(b) va-Q-tec Shares held as private assets

The Recurring Compensation Payments for va-Q-tec Shares held as private assets constitute income from capital assets and, as such, are subject to income tax; in this case, the deduction withholding tax has the effect of finally settling the tax liability (referred to as flat-rate withholding tax) and the Recurring Compensation Payment therefore no longer has to be declared in the va-Q-tec Shareholder's annual tax declaration. In certain cases (for example, where a non-assessment certificate from the tax office or where a sufficient exemption order was issued), the Recurring Compensation Payment can be paid to va-Q-tec Shareholders without deduction of withholding tax and solidarity surcharge.

At the request of va-Q-tec Shareholders, their Recurring Compensation Payment can also be subject to the income tax according to the basic scale instead of deducting flat-rate withholding tax if this leads to a lower tax burden (most favorable tax treatment test – *Günstigerprüfung*). In this event, the relevant amounts for taxation are the capital gains less the saver's tax-fee allowance of EUR 1,000.00 (or EUR 2,000.00 for jointly assessed spouses), and the deduction of actual income-related expenses is excluded. In this event, any withholding tax initially deducted will be credited against the income tax so levied.

(c) **va-Q-tec Shares held as business assets**

If va-Q-tec Shares are held as business assets, taxation will depend on whether the va-Q-tec Shareholder is a corporation, a sole proprietor or a partnership (joint-proprietors):

(i) **Corporations**

For corporations, the Recurring Compensation Payments are generally subject to corporate income tax unless the va-Q-tec Shareholder held at least 10% in va-Q-tec's share capital at the beginning of the relevant calendar year. In this case, the Recurring Compensation Payments are generally exempt from corporate income tax. However, 5% of this tax-exempt income is deemed to be expenses which must not be deducted as business expenses for tax purposes and is therefore subject to corporate income tax (plus solidarity surcharge). In return, operating expenses actually incurred in connection with the Recurring Compensation Payments can generally be deducted in full (subject to other restrictions on deduction). The Recurring Compensation Payments are subject to trade tax at their full amounts unless the va-Q-tec Shareholder held at least 15% of va-Q-tec's share capital (intercompany participation) at the beginning of the relevant tax period. In the latter case, the exemption of 95% of the Recurring Compensation Payments from corporate income tax applies accordingly for trade tax purpose.

(ii) **Sole proprietors**

In the case of sole proprietors (individuals), 60% of the Recurring Compensation Payment is subject to the applicable income tax rate (referred to as partial income method (*Teileinkünfteverfahren*)). Accordingly, any expenses economically related to the Recurring Compensation Payment are deductible for tax purposes at a rate of 60% only (subject to other restrictions on deduction). If the va-Q-tec Shares belong to the assets of a permanent establishment located in Germany, the full amount of the Recurring Compensation Payment is subject to trade tax if and to the extent the va-Q-tec Shareholder is subject to trade tax and does not hold at least 15% of va-Q-tec's share capital at the beginning of the relevant tax period. However, trade tax is credited in full or in part against the va-Q-tec Shareholder's income tax by way of a flat-rate procedure.

(iii) **Partnerships**

If the va-Q-tec Shares are held by a partnership (joint proprietors), income tax or corporate income tax is assessed at the level of its partners only. For partners subject to corporate income tax which hold at least 10% in the share capital at the beginning of the relevant calendar year, 95% of the Recurring Compensation Payment is finally exempt from taxation, while the remainder is taxable (see above Sec. 7.3(c)(i)). However, if the partner is liable to income tax, 60% of the Recurring Compensation Payment is subject to taxation (see Sec. 7.3(c)(ii)). As regards the deductibility of business expenses, the statements made under Sec. 7.3(c)(i) above apply to partners liable to corporate income tax and the statements made under Sec. 7.3(c)(ii) above apply to partners liable to income tax. The full amount of Recurring Compensation Payment is subject to trade tax at the level of the partnership if the partnership is subject to trade tax and does not hold at least 15% in va-Q-tec's share capital at the beginning of the relevant tax period. However, if individuals hold interests in the partnership, trade tax accruing at the level of the partnership is credited in full or in part against their income tax by way of a flat-rate procedure. If the partnership holds at least 1% in va-Q-tec's share capital at the beginning of the relevant tax period, 5% of the Recurring Compensation Payment is subject to trade tax if corporations hold a participation.

7.4 Taxation of severance payments at the level of the va-Q-tec Shareholders

Pursuant to Sec. 5 (1) of the Agreement, Fahrenheit undertakes vis-à-vis the va-Q-tec Shareholders who wish to leave va-Q-tec as a result of the conclusion of the Agreement to purchase their va-Q-tec Shares in exchange for an appropriate severance payment (*Abfindung*) in the amount of EUR 21.80 per va-Q-tec Share. For the va-Q-tec Shareholders concerned, a gain generated from the resulting transfer of va-Q-tec Shares in exchange for the above compensation is likely to be subject to the rules on the taxation of gains from the sale of shares in a corporation. A capital gain is realized if the severance payment less any costs of sale exceeds the acquisition costs for tax purposes or the book value for tax purposes for the relevant shares at the level of the respective va-Q-tec Shareholder. If the severance payment less any costs of sale is less than the acquisition costs or the book value of the va-Q-tec Shares at the level of the va-Q-tec Shareholder, a capital loss is incurred. In detail:

(a) Withholding tax

Capital gains are generally subject to the deduction of withholding tax at a rate of 25% plus solidarity surcharge thereon at a rate of 5.5% (resulting in a total rate of 26.375%). Such deduction requires the existence of a domestic paying agent (domestic or domestic branch of a foreign credit institution, financial services institution, securities trading company or securities trading bank) which holds in custody or administers the va-Q-tec Shares or carries out their sale and pays out or issues a credit for capital gains.

Compensation paid for shares held as private assets and acquired prior to 1 January 2009 is not subject to withholding tax. Deduction of withholding tax also does not apply to capital gains for va-Q-tec Shares held as business assets by corporations with unlimited tax liability. The same applies under certain circumstances to va-Q-tec Shares held by individuals or by partnerships as business assets.

If withholding tax and solidarity surcharge are deducted, they generally discharge the shareholder's tax liability with regard to shares held as private assets. The deduction of withholding tax will not discharge the shareholder's tax liability in relation to shares held as private assets if the va-Q-tec Shareholder held at least 1% in va-Q-tec's share capital at any time during the last five years prior to the sale as well as in relation to va-Q-tec Shares held as business assets. In these cases, tax deducted will rather be credited against the sellers' tax liability for income or corporate income tax and solidarity surcharge or will be refunded in the amount of any excess.

(b) **va-Q-tec Shares held as private assets**

For the taxation of severance payments, it depends on whether va-Q-tec Shareholders acquired va-Q-tec Shares prior to 1 January 2009 or after 31 December 2008:

(i) **va-Q-tec Shares acquired prior to 1 January 2009**

In case va-Q-tec Shares were acquired prior to 1 January 2009 and held as private assets, the previously described tax exemption for capital gains is applicable, also with regard to any severance payments.

However, profits resulting from severance payments to a va-Q-tec Shareholder who or – in the case of a gratuitous acquisition – whose legal predecessor held directly or indirectly at least 1% in the share capital of va-Q-tec at any time during the five years preceding the acquisition by Fahrenheit pursuant to Sec. 5 (1) of the Agreement, are subject to the so-called partial income procedure, i.e. 60% of the profits are subject to taxation. In this case, expenses that are economically related to the severance payments and losses relating to the sale can accordingly only be claimed at 60% for tax purposes.

(ii) **va-Q-tec Shares acquired after 31 December 2008**

Profits from the sale of va-Q-tec Shares acquired after 31 December 2008 are generally always taxable, irrespective of the time they were held. Corresponding losses may only be offset against profits from the sale of shares in the current year or in a later year.

In the event of profits resulting from the sale of va-Q-tec Shares acquired after 31 December 2008, withholding tax will be deducted, provided that a domestic paying agent is given. In general, the deduction of withholding tax has a compensatory effect, i.e. the investor's income tax liability is satisfied to this extent with the result, that the deduction of the withholding tax and the profit no longer has to be declared in the va-Q-tec Shareholder's annual tax declaration. In certain cases (for example, where a non-assessment certificate from the tax office or where a sufficient exemption order was issued), the severance payment can be paid to va-Q-tec Shareholders without deduction of withholding tax and solidarity surcharge. If the withholding tax is not deducted outside of the aforementioned cases (e.g. because of the absence of a domestic paying agent), the va-Q-tec Shareholder must declare the profit in his income tax declaration. However, in these cases, the profit will not be subject to the va-Q-tec Shareholder's individual income tax rate; the profit will rather be assessed at the final withholding tax rate.

At the request of the va-Q-tec Shareholder, the gain resulting from the severance payment can be taxed according to the basic scale of income tax instead of deducting flat-rate withholding tax if this leads to a lower tax burden for the va-Q-tec Shareholder. In this case, withholding tax initially deducted will be credited against the income tax levied by way of assessment. When determining income from investments only a saver's tax-free allowance of EUR 1,000.00 (or EUR 2,000.00 for jointly assessed spouses) may be deducted as income-related expenses. The deduction of actual income-related expenses is excluded.

If the va-Q-tec Shareholder held at least 1% in va-Q-tec's share capital at any time during the last five years prior to the sale, 60% of a capital gain is taxable. The deducted withholding tax and the solidarity surcharge will be credited against the va-Q-tec Shareholder's tax liability or refunded in the amount of any excess. In these cases, 60% of the capital losses and expenses economically related to the sale are deductible for tax purposes.

(c) **va-Q-tec Shares held as business assets**

If the va-Q-tec Shares are held as business assets, the taxation of the capital gains on the sale will depend on whether the va-Q-tec Shareholder is a corporation, a sole proprietor or a partnership (joint proprietors):

(i) **Corporations**

Capital gains from the sale of va-Q-tec Shares are generally exempt from corporate income tax and trade tax for corporations. However, 5% of the capital gains are deemed to be expenses which must not be deducted as business expenses for tax purposes and are therefore subject to corporate income tax (plus solidarity surcharge) and trade tax.

Capital losses and other reductions of profits related to the sold va-Q-tec Shares cannot be taken into account for tax purposes.

(ii) **Sole proprietors**

If va-Q-tec Shares are held by sole proprietors, 60% of the capital gain is taxable. Accordingly, only 60% of the business expenses related to such capital gains and only 60% of any capital losses can be taken into account for tax purposes. If the va-Q-tec Shares are part of the assets of a permanent establishment located in Germany, 60% of the capital gains are subject to trade tax if the sole proprietor is liable to trade tax. However, such trade tax is credited in full or in part against the investor's income tax by way of a flat-rate procedure.

(iii) **Partnerships**

If va-Q-tec Shares are held by a partnership (joint proprietors) (*Mitunternehmerschaft*), taxation will depend on whether its partners are liable to income or corporate income tax. 95% of the capital gains from the sale of va-Q-tec Shares are generally exempt from taxation for partners liable to corporate income tax (see Sec. 7.4(c)(i)). 60% of the capital gains from the sale of va-Q-tec Shares are generally taxable for partners liable to income tax (see Sec. 7.4(c)(ii)). In addition, 60% (if individuals hold interests) and 5% (if corporations hold interests) of the capital gains from the sale of va-Q-tec Shares are subject to trade tax at the level of the partnership liable to trade tax if they are attributed to a domestic permanent establishment. However, if individuals hold a participation in the partnership, trade tax is credited in full or in part against their income tax by way of a flat-rate procedure. As regards the deductibility of business expenses related to capital gains and of capital losses, the statements made under Sec. 7.4(c)(i) above apply to partners liable to corporate income tax and the statements under Sec. 7.4(c)(ii) above apply to partners subject to income tax.

8. TAX EFFECTS FOR VA-Q-TEC

8.1 Income Tax Group

If the other statutory requirements for the existence of an Income Tax Group are also met, the Agreement will have the effect that the income of va-Q-tec will, for purpose of corporate income tax and trade tax purposes, be attributed to Fahrenheit and thereby be taxed with Fahrenheit. However, for the duration of the obligation to transfer profits, va-Q-tec itself, i.e. instead of Fahrenheit, will be liable to pay tax on its income in the amount of currently 20/17 of the Recurring Compensation Payments made (Sec. 16 KStG). The Income Tax Group does not begin before the financial year of va-Q-tec in which the obligation to transfer the profits pursuant to Sec. 2 of the Agreement as well as the financial integration of va-Q-tec into Fahrenheit exists, which is expected to be

1 January 2025, provided that the Agreement is registered with the commercial register of va-Q-tec by the end of the financial year 2025 at the latest (cf. Sec. 7 (2) of the Agreement). Whereas any loss carryforwards for tax purposes recorded by va-Q-tec for corporate income tax and trade tax existing at the time the Income Tax Group becomes effective shall in principle remain in existence but shall be frozen for the duration of the Income Tax Group and thus not be utilizable for tax purposes.

Furthermore, Fahrenheit is to provide various service functions and services to affiliated companies in the future, in particular to va-Q-tec. As a result of the planned entrepreneurial activity, it is already an entrepreneur subject to sales tax (*umsatzsteuerliche Unternehmerin*). Therefore, a sales tax fiscal unity with va-Q-tec is expected to arise as of the effective date of the Agreement and the resulting organizational integration of va-Q-tec.

Pursuant to Sec. 2 (2) no. 2 sentence 2 of the German Turnover Tax Act ("**UStG**"), a sales tax fiscal unity means that the controlled company does not carry out any independent activity and, consequently, the so – called internal sales made between the companies of the controlled group are not taxable. Only the controlling company carries out an independent commercial activity within the group of companies and is an entrepreneur liable for VAT who carries out taxable deliveries or other services. Sales of the controlled company are regarded as those of the controlling company. The taxable person for all sales within the group of companies is therefore the parent company. The same applies in principle to tax return obligations. However, this unity theory only applies in Germany.

The legal effect of the sales tax fiscal unity under German law, in particular the lack of taxability of so - called intercompany sales, is under scrutiny against the background of the renewed BFH submission in the currently pending ECJ case C-184/23. Therefore, changes with regard to the legal effects of the sales tax fiscal unity cannot be ruled out.

Under both the fiscal unity for income tax purposes and the sales tax fiscal unity, va-Q-tec is liable pursuant to Sec. 73 of the German Fiscal Code (*Abgabenordnung*) for those taxes of Fahrenheit for which the fiscal unity between them is tax-relevant. Claims for reimbursement of tax refunds are equivalent to taxes.

8.2 Real estate transfer tax considerations

Pursuant to Sec. 1 (2b) of the German Real Estate Transfer Tax Act "**GrEStG**"), which applies to the acquisition of shares in corporations owning real estate after 30 June 2021, a direct or indirect change in the shareholder structure within ten years such that at least 90% of the shares in the corporation are transferred to new shareholders is deemed to be a legal transaction aimed at the transfer of a real estate property to a new corporation.

If the provision in Sec. 5 (1) of the Agreement should result in such a change in va-Q-tec's Shareholder base (i.e., a change of at least 90% within a ten-year period), real estate transfer tax would be triggered and owed by va-Q-tec. The tax pursuant to Sec. 1

(2b) GrEStG arises at the time of the material transfer of the shares leading to the 90% threshold of the change in shareholders being reached. An acquisition of shares in fulfillment of Sec. 5 (1) of the Agreement shall only occur after its registration with the commercial register of va-Q-tec.

Should the provision in Sec. 5 (1) of the Agreement result in 90% or more of the va-Q-tec Shares being directly or indirectly united at Fahrenheit without the aforementioned change in the shareholder structure pursuant to Sec. 1 (2b) GrEStG, real estate transfer tax pursuant to Sec. 1 (3) GrEStG would be triggered and owed by Fahrenheit. The tax pursuant to Sec. 1 (3) GrEStG arises at the time of the legal transaction under the law of obligations concerning the transfer of shares leading to the 90% threshold of the share unification being reached. However, the provision of Sec. 1 (3) GrEStG is subordinated to the provision of Sec. 1 (2b) GrEStG. Therefore, if Fahrenheit bundles 90% or more of the va-Q-tec Shares and this simultaneously represents a change in the shareholder structure of a minimum interest of 90% of the va-Q-tec Shares within ten years, the real estate transfer tax will ultimately be owed only once by va-Q-tec pursuant to Sec. 1 (2b) GrEStG as described above, provided that the notification is made in due time.

The amount of real estate transfer tax would be based on the taxable real estate values of the properties held by va-Q-tec in accordance with the relevant provisions of the valuation act and the real estate transfer tax rate of the relevant federal state in which the respective property is located (for Bavaria currently 3.5%, for Thuringia currently 6.5%).

In order to avoid a transfer of at least 90% of the va-Q-tec Shares as well as a unification of at least 90% of the va-Q-tec Shares in Fahrenheit and a thereby triggered real estate transfer tax liability (*Grunderwerbssteuerpflicht*) as long as the va-Q-tec Group has domestic real estate property, it was agreed in the Partnership Agreement that the Retained Family Shares to the extent of 10% of the current share capital of va-Q-tec plus one share shall remain in the shareholdings of the relevant Participating Family Shareholders until further notice. A contribution of the Retained Family Shares to Fahrenheit is currently only planned for a time after the domestic real estate of va-Q-tec has been transferred to the New va-Q-tec Group in connection with the Carve-Out (see Sec. 2.2(f)(iii) above).

9. COSTS OF THE DOMINATION AND PROFIT AND LOSS TRANSFER AGREEMENT

One-time costs were incurred for the planned conclusion and the preparation of the Agreement. Such costs were incurred by va-Q-tec in particular for legal advice. The costs for the preparation of the Valuation Report and for the Contract Auditor are borne by Fahrenheit. In all other respects, each Party shall bear its own costs, including the costs of its external advisors. The sum of external costs to be borne by va-Q-tec are expected to amount to approximately EUR 0.7 million.

The sum of external costs to be borne by Fahrenheit are expected to amount to approximately EUR 1.5 million.

10. TYPE AND AMOUNT OF COMPENSATION AND SEVERANCE PAYMENT PURSUANT TO SECTIONS 304, 305 AKTG

10.1 Overview

Pursuant to Sec. 304 AktG, a domination and profit and loss transfer agreement has to provide for appropriate Compensation for the outstanding va-Q-tec Shareholders by way of a recurring cash payment related to their shares in the share capital. The type of the Compensation and the reasons for determining a fixed recurring compensation were explained under Sec. 4.4(c) above.

According to Sec. 304 (1) sentence 1 and (2) sentence 1 AktG, the Compensation must at least be equal to the annual payment of the amount which could be expected to be distributed for each individual share as average profit share in view of the company's past profitability and future earnings prospects, taking into account appropriate depreciation, amortization and value allowances, but excluding other profit reserves.

Sec. 305 (1) AktG provides that a domination and profit and loss transfer agreement must further provide for the obligation of the controlling company to purchase the shares of outstanding shareholders upon their request in exchange for an appropriate severance payment specified in the agreement. Sec 305 (3) sentence 2 AktG provides that the appropriate severance payment must take into account the situation of the company at the time its general meeting resolves on the Agreement. This applies accordingly to the Guaranteed Dividend and the Recurring Compensation Payment within the meaning of Sec. 304 AktG. In accordance with the decision of the German Federal Constitutional Court dated 27 April 1999 (Ref. BvR 1613/94), in the case of companies listed on the stock exchange market, an existing stock market price must also be taken into account when calculating the amount of severance pursuant to Sec. 305 AktG. The stock exchange price generally represents the lowest amount of the severance to be paid to the va-Q-tec Shareholder.

The relevant valuation date for the Compensation is 1 January 2024 and for the severance payment the date of the planned general meeting of va-Q-tec which is to resolve on the Agreement, *i.e.* 29 August 2023.

The management board of va-Q-tec and the managing board of Fahrenheit have commissioned EY to prepare the Valuation Report on the enterprise value of va-Q-tec and on the amount of the appropriate Guaranteed Dividend and Recurring Compensation Payment within the meaning of Sec. 304 AktG and the appropriate severance payment within the meaning of Sec. 305 AktG, as of the date of the planned general meeting, i.e. 29 August 2023.

EY carried out the work necessary for the Valuation Report from February 2023 to July 2023. On 13 July 2023, EY provided its Valuation Report on the determination of the enterprise value of va-Q-tec as well as the appropriate severance payment (Sec. 305 AktG) and the appropriate Guaranteed Dividend or Recurring Compensation Payment (Sec. 304 AktG).

In its function as a neutral expert for the purpose of IDW S 1, EY concludes in its Valuation Report that the objectified enterprise value of va-Q-tec as of 29 August 2023 being relevant for the determination of the appropriate severance payment within the meaning of IDW S 1 amounts to EUR 313.9 million. Based on this, EY calculated a pro rata enterprise value of EUR 21.29 per va-Q-tec Share based upon a total of 14,742,934 issued va-Q-tec Shares (14,756,500 issued va-Q-tec Shares less 13,566 va-Q-tec treasury shares held by va-Q-tec).

EY further concludes that the relevant average stock exchange price per va-Q-tec share is between EUR 14.00 and EUR 14.08. The relevant price in this context is the volume-weighted average stock exchange price determined for va-Q-tec Shares by BaFin for the three-month period preceding the ad hoc announcement of va-Q-tec on 9 December 2022, in which Fahrenheit's intention to conclude a domination and profit and loss transfer agreement between va-Q-tec and Fahrenheit was published, extrapolated to 29 August 2023 (see below Sec. 10.3). As the enterprise value per va-Q-tec Share determined by the capitalized earnings method is higher than the relevant stock exchange price, EY used the enterprise value per va-Q-tec Share determined by the capitalized earnings method as the basis for determining the severance payment.. Accordingly, it results from the Valuation Report of EY that the appropriate severance payment within the meaning of Sec. 305 AktG amounts to EUR 21.29 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares). The appropriate Compensation within the meaning of Sec. 304 AktG derived from the enterprise value amounts to gross EUR 1.10 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares) according to EY's calculations.

The complete version of the Valuation Report by EY on the determination of the appropriate severance payment (Sec. 305 AktG) and the appropriate Compensation (Sec. 304 AktG) dated 13 July 2023 is attached to this Contract Report as **Annex 5** and thus forms an integral part of this Contract Report.

The management board of va-Q-tec and the managing board of Fahrenheit have examined the plausibility of the forecast figures on which the Valuation Report is based and the analysis of the past as well as the other assumptions made by the Valuation Expert and, following their own examination, adopt as their own the full content of EY's statements in the Valuation Report on va-Q-tec's enterprise value, on the appropriate Compensation and on the appropriate severance payment and include such statements in this Contract Report. In their own assessments, the management board of va-Q-tec and the managing board of Fahrenheit consider a severance payment within the meaning of Sec. 305 AktG in the amount of EUR 21.29 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares) and a Compensation in the amount of EUR 1.10 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares) and after deduction of an amount for the corporate income tax and the solidarity surcharge on the portion of va-Q-tec's profits subject to German corporate income tax for va-Q-tec to EUR 1.08 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares) for a full financial year of va-Q-tec to be appropriate.

Nevertheless, the Contracting Parties have agreed in Sec. 4 (3) of the Agreement on an even higher Compensation in the amount of EUR 1.18 (after deduction of an amount for German corporation income tax and the solidarity surcharge on the portion of the profits of va-Q-tec subject to German corporation income tax EUR 1.16) per va-Q-tec Share and in Sec. 5 (1) of the Agreement on an even higher severance payment in the amount of EUR 21.80. In this way, the Contracting Parties take into account possible changes in valuation parameters in the period up to the resolution of the ordinary general meeting of va-Q-tec on 29 August 2023.

The Valuation Report of EY – as well as this Contract Report – together with the other documents required under Sec. 293f (1) AktG will be available on the website of va-Q-tec at

https://ir.va-q-tec.com/websites/vaqtec/German/600/hauptversammlung.html

from the time of convocation of the general meeting of va-Q-tec which resolves upon the approval of the Agreement and which is scheduled to take place on 29 August 2023.

In addition, the documents will also be available for inspection by va-Q-tec Shareholders at the offices of va-Q-tec from the convocation of the general meeting until the end thereof and will also be available at the general meeting of va-Q-tec on 29 August 2023. Upon request, each va-Q-tec Shareholder will be provided with a copy of these documents without delay and free of charge.

In order to avoid liability risks in foreign jurisdictions, the management board of va-Q-tec and the managing board of Fahrenheit expressly point out that the plans of va-Q-tec, which form the basis of the enterprise valuation, have been prepared to the best of their knowledge, but that no liability can be assumed by va-Q-tec or by any company of the EQT Group for their actual occurrence.

10.2 Determination and fixing of the amount of the appropriate Guaranteed Dividend and the appropriate Recurring Compensation Payment in accordance with Sec. 304 AktG

Pursuant to Sec. 4 (1) of the Agreement, Fahrenheit will grant the outstanding va-Q-tec Shareholders a fixed Guaranteed Dividend for the financial year 2024, provided the Agreement takes effect in the year 2024.

The Guaranteed Dividend amounts to gross EUR 1.18 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares) and after deduction of an amount for the corporate income tax and the solidarity surcharge on the portion of va-Q-tec's profits subject to German corporate income tax for va-Q-tec to EUR 1.16 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares).

Pursuant to Sec. 4 (2) of the Agreement, Fahrenheit undertakes to pay the outstanding va-Q-tec Shareholders a Recurring Compensation Payment pursuant to Sec. 4 (3) of the Agreement for the duration of the Agreement, commencing with the financial year of va-Q-tec referred to in Sec. 2 (3) of the Agreement in which the obligation to transfer profits pursuant to Sec. 2 of the Agreement applies for the first time.

The Recurring Compensation Payment for a full financial year of va-Q-tec amounts to EUR 1.18 gross per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares) and after deduction of an amount for the corporate income tax and the solidarity surcharge on the portion of va-Q-tec's profits subject to German corporate income tax for va-Q-tec to EUR 1.16 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares).

The reasons why the Contracting Parties have agreed on a fixed Guaranteed Dividend or a fixed Recurring Compensation Payment were set out in Sec. 4.4(c)(ii) above. The Contracting Parties agreed on a Gross Compensation Amount in accordance with the rulings of the German Federal Court of Justice (*Bundesgerichtshof*) (order of 21 July 2003, Ref. II ZB 17/01 - "Ytong"). Reference is made in this regard to the explanations in Sec. 4.4(d) above.

The management board of va-Q-tec and the managing board of Fahrenheit, by mutual agreement, fixed the amount of the Guaranteed Dividend or Recurring Compensation Payment on the basis of the conclusion of the Valuation Report by EY dated 13 July 2023. EY concludes that the appropriate Guaranteed Dividend and/or the Recurring Compensation Payment amounts to EUR 1.10 gross (after deduction of an amount for the corporate income tax and the solidarity surcharge on the portion of va-Q-tec's profits subject to German corporate income tax for va-Q-tec to EUR 1.08) per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares).

Based on this, the Contracting Parties have agreed on an increase compared to the appropriate Compensation determined by EY and have determined a Guaranteed Dividend or Recurring Compensation Payment of EUR 1.18 gross (after deduction of an amount for corporate income tax and the solidarity surcharge on the portion of the profits of va-Q-tec subject to German corporate income tax EUR 1.16) per va-Q-tec Share. In this way, the Contracting Parties take into account possible changes in valuation parameters in the period up to the resolution of the general meeting of va-Q-tec on 29 August 2023.

10.3 Determination and fixing of the amount of the appropriate severance payment in accordance with Sec. 305 AktG

Pursuant to Sec. 5 (1) of the Agreement, Fahrenheit is obligated, upon request of any outstanding va-Q-tec Shareholder, to purchase his or her va-Q-tec Shares in exchange for the severance payment (Sec. 305 (2) no. 3 AktG). Each outstanding va-Q-tec Shareholder who is accepting the offer for severance payment will receive a severance payment in the amount of EUR 21.80 per va-Q-tec Share. The decisive reasons for agreeing on cash compensation as the offered type of severance payment are set out in Sec. 4.5 above.

The management board of va-Q-tec and the managing board of Fahrenheit have determined the amount of the severance payment based on the results of the Valuation Report of EY dated 13 July 2023. In that Valuation Report, EY determined an amount of EUR 21.29 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares) as an appropriate severance payment within the meaning of Sec. 305 (2) no. 3 AktG.

The enterprise value of va-Q-tec determined by EY in its Valuation Report using the capitalized earnings method in accordance with IDW S 1 as of 29 August 2023 amounts to EUR 313,9 million. This corresponds to a value of EUR 21.29 per va-Q-tec Share (based on 14,742,934 outstanding va-Q-tec Shares).

Based on this, the Contracting Parties have agreed on an increase compared to the appropriate severance payment determined by EY and have set a severance payment of EUR 21.80 per va-Q-tec Share. Thus, the Contracting Parties again have taken into account possible changes of valuation parameters in the period until the resolution of the general meeting of va-Q-tec on 29 August 2023.

EY and the Contracting Parties also considered the stock exchange price of the va-Q-tec Share for determining the amount of the severance payment. According to the ruling of the German Federal Constitutional Court (*Bundesverfassungsgericht*) dated 27 April 1999, case no. BvR 1613/94, the stock exchange price generally represents the lower limit for determining the severance amount to be offered to the outstanding shareholders. The BGH (order of 12 March 2001, case no. II ZB 15/00) specified the requirements laid down by the German Federal Constitutional Court (*Bundesverfassungsgericht*) with regard to the relevance of the stock exchange price for determining the appropriate Compensation. In its order of 19 July 2010 (case no. ZB II 19/18 "Stollwerck"), the BGH established additional requirements in this respect by specifying that the relevant stock exchange price must be determined on the basis of a volume-weighted average stock exchange price during a three-month reference period prior to the announcement of a structural measure.

Fahrenheit's intention to enter into a domination and profit and loss transfer agreement with va-Q-tec was first announced by way of an ad-hoc announcement from va-Q-tec on 9 December 2022 (see Sec. 1). The volume-weighted stock exchange price of the va-Q-tec Share determined by BaFin for the three-month period prior to the publication of the ad hoc announcement of va-Q-tec on 9 December 2022 is EUR 12.75. As this value is below the above-mentioned pro rata enterprise value according to the capitalized earnings method, this higher pro rata enterprise value according to the capitalized earnings method was decisive in the present case for the determination of an appropriate severance payment.

The pro rata enterprise value according to the capitalized earnings method still remains decisive, if the volume-weighted stock exchange price needs to be adjusted and extrapolated to the date of the general meeting which, according to the Stollwerck order of the BGH, should be the case if a longer period has elapsed between the public announcement of the structural measure and the date of the general meeting and the development of the stock exchange prices make an adjustment appear to be necessary. In the present case, a time period of more than six months between the announcement of the intention to conclude a domination and profit and loss transfer agreement (9 December 2022) and the date on which the Agreement is submitted to the general meeting for approval (29 August 2023) elapsed. This represents a longer period within the meaning of the Stollwerck order.

However, EY's Valuation Report emphasizes the exceptional nature of the necessity of such an extrapolation and rejects such an exceptional case for the case at hand. This is because the delay, *i.e.* the resolution on the conclusion of the Agreement, which is planned to happen on 29 August 2023, is mainly due to the long duration of the process of the approval of the Takeover Offer by the competition antitrust authorities. EY has nevertheless documented in the Valuation Report how the stock exchange prices would appear after extrapolation at the conclusion of the valuation work. The extrapolation of the stock exchange price was made on the basis of various extrapolation methods. The extrapolation of the stock exchange price, on which EY relies in the Valuation Report, arrives at an extrapolated stock exchange price between EUR 14.00 and EUR 14.08.

Since the extrapolated stock exchange price is thus also below the above-mentioned pro rata enterprise value according to the capitalized earnings method, the pro rata enterprise value according to the capitalized earnings method remains decisive for the determination of the severance payment, even taking into account an extrapolation of the stock exchange price.

11. AGREEMENT REVIEW

Ebner Stolz has prepared an Audit Report which, together with the documents referred to in Sec. 293f (1) AktG, will be available on va-Q-tec's website at

https://ir.va-q-tec.com/websites/vaqtec/German/600/hauptversammlung.html

from the date on which the general meeting resolving on the approval of the Agreement is convened and which is scheduled to take place on 29 August 2023.

In addition, the Audit Report together with the aforementioned documents will be available for inspection by outstanding va-Q-tec Shareholders at the offices of va-Q-tec and will also be available during the general meeting. Upon request, each va-Q-tec Shareholder will be provided with a copy of these documents without undue delay and free of charge (see further Sec. 6.2(b)).

[*Signature Pages to Contract Report to follow*]

(Signature Page to Contract Report)

Fahrenheit AcquiCo GmbH

Name:	Roman Dominik Brück	Name:	Adi Bikic
Position:	Managing Director	Position:	Managing Director

(Signature Page to Contract Report)

va-Q-tec AG

Name:	Dr. Joachim Kuhn	Name:	Stefan Döhmen
Position:	CEO	Position:	CFO

Annex 1

List of shareholdings of the va-Q-tec Group as of 31 December 2022 pursuant to Sec. 313 (2) HGB

Company	**Registered Office**	**Share of capital**
va-Q-tec Ltd. (UK)	Rochester, UK	100%
va-Q-tec Inc. (USA)	East Rutherford, NJ, USA	100%
va-Q-tec Ltd. (Korea)	Joon-gu, Incheon, Republic China	100%
va-Q-tec Switzerland AG (Schweiz)	Zurich, Switzerland	100%
va-Q-tec Japan G.K. (Japan)	Tokio, Japan	100%
va-Q-tec Uruguay S.A (Uruguay)	Montevideo, Uruguay	100%
va-Q-tec SG PTE. Ltd. (Singapore)	Singapore	100%
va-Q-tec India Ltd. (India)	New-Delhi, Indien	100%
va-Q-tec do Brasil Ltda. (Brasilien)	Sao Paulo, Brasilien	100%
va-Q-tec Shanghai Ltd. (China)	Shanghai, China	100%
va-Q-tec Austria GmbH (Austria)	Salzburg, Austria	100%
va-Q-tec France SARL (France)	Paris, France	100%
SUMTEQ GmbH	Cologne, Germany	15%
ING3D GmbH	Fuerth, Germany	15%

Annex 2

Draft of the domination and profit and loss transfer agreement between va-Q-tec AG and Fahrenheit AcquiCo GmbH dated 14 July 2023

NON-BINDING CONVENIENCE TRANSLATION

Domination and Profit and Loss Transfer Agreement

by and between

Fahrenheit AcquiCo GmbH with registered office in Frankfurt am Main, Germany, registered with the commercial register of the local court of Frankfurt am Main, Germany, under HRB 129025

"**Fahrenheit AcquiCo**"

and

va-Q-tec AG with registered office in Würzburg, Germany, registered with the commercial register of the local court of Würzburg, Germany, under HRB 7368

"**va-Q-tec**"
and, collectively with Fahrenheit AcquiCo, the "**Parties**" and each a "**Party**"

§ 1 Management

1.1 va-Q-tec agrees that the management of its company shall be under the control of Fahrenheit AcquiCo as from the date this agreement becomes effective pursuant to Section 7.2 of this agreement. Accordingly, Fahrenheit AcquiCo shall be entitled, within the statutory limits, to give instructions to the management board of va-Q-tec with regard to the management of va-Q-tec in general or on a case-by-case basis. In particular, Fahrenheit AcquiCo shall also be entitled to give instructions with regard to the preparation of the annual financial statements of va-Q-tec.

1.2 The management board of va-Q-tec shall be obligated to comply with the instructions of Fahrenheit AcquiCo pursuant to Section 1.1 of this agreement in accordance with Section 308 of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**"), as amended from time to time.

1.3 Fahrenheit AcquiCo shall not be entitled to give instructions to the management board of va-Q-tec in relation to any amendment to, maintenance or termination of this agreement.

1.4 Instructions must be made in text form (Section 126b of the German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**")).

§ 2 Transfer of Profits

2.1 va-Q-tec undertakes to transfer its entire profits to Fahrenheit AcquiCo. Subject to the formation or dissolution of reserves in accordance with Section 2.2 of this agreement, the maximum amount permissible under Section 301 AktG, as amended from time to time, shall be transferred.

2.2 If and to the extent permissible under commercial law and economically justified by reasonable commercial judgment, va-Q-tec may, with the consent of Fahrenheit AcquiCo, allocate parts of its annual net income to other earnings reserves (Section 272 para. 3 of the German Commercial Code (*Handelsgesetzbuch*, "**HGB**")). Other earnings reserves (Section 272 para. 3 HGB) formed during the period in which the obligation to transfer profits applies shall, at the request of Fahrenheit AcquiCo, and to the extent permissible under Sections 301 and 302 AktG, as amended from time to time, be dissolved and be used to compensate any annual net loss or be transferred as profit. Other reserves as well as a profit carried forward formed prior to the period in which the obligation to transfer profits under this agreement applies may neither be transferred as profit nor be used to compensate any annual net loss. The consent or request of Fahrenheit AcquiCo under this Section 2.2 must be in text form (Section 126b BGB).

2.3 The obligation to transfer profits shall apply for the first time to the entire profits of the business year beginning on 1 January 2025 or – provided that this agreement shall not become effective until a later business year pursuant to Section 7.2 hereof – to the entire profits of any later business year of va-Q-tec in which this agreement shall become effective pursuant to Section 7.2 of this agreement.

2.4 The obligation to transfer profits shall become due in each case upon adoption of the annual financial statements for the relevant business year of va-Q-tec.

§ 3 Compensation of Losses

3.1 In accordance with Section 302 AktG, as amended from time to time, Fahrenheit AcquiCo shall be obligated to compensate va-Q-tec for any annual net loss. The provisions of Section 302 AktG shall apply in their entirety and as amended from time to time.

3.2 The obligation to compensate losses shall apply for the first time to the business year of va-Q-tec in which this agreement becomes effective pursuant to Section 7.2 of this agreement; with regard to the management powers of Fahrenheit AcquiCo pursuant to § 1 of this agreement applicable as from the effective date of this agreement, this shall apply notwithstanding the obligation of va-Q-tec to transfer profits pursuant to § 2 of this agreement, which might only apply as from a subsequent business year pursuant to Section 2.3 of this agreement.

3.3 In each case, the obligation to compensate losses shall become due at the end of the relevant business year of va-Q-tec; in case this agreement is terminated during a business year of va-Q-tec, any obligation to compensate losses for this business year shall become due upon termination of the agreement.

§ 4 Guaranteed Dividend and Recurring Compensation Payment

4.1 Fahrenheit AcquiCo undertakes to guarantee to the outside shareholders of va-Q-tec for the business year of va-Q-tec beginning on 1 January 2024, in case this agreement becomes effective in that business year in accordance with Section 7.2 of this agreement, the payment of a certain share of the profits in accordance with Section 4.3 below ("**Guaranteed Dividend**"). To the extent that the dividend paid by va-Q-tec for the business year 2024 (including any interim payments, but before deduction of any withholding taxes (*Quellensteuern*)) per no-par value registered share of va-Q-tec with a pro-rata value of EUR 1.00 in the share capital of va-Q-tec (each a "**va-Q-tec Share**") is less than the Guaranteed Dividend, Fahrenheit AcquiCo will pay to each outside shareholder of va-Q-tec the corresponding difference per va-Q-tec Share ("**Guaranteed Payment**").

4.2 Fahrenheit AcquiCo further undertakes to pay to the outside shareholders of va-Q-tec for the duration of this agreement, beginning with the business year of va-Q-tec referred to in Section 2.3 of this agreement to which the profit transfer obligation pursuant to § 2 of this agreement applies for the first time, a recurring cash compensation in accordance with Section 4.3 below ("**Recurring Compensation Payment**").

4.3 The Guaranteed Dividend and the Recurring Compensation Payment (together the "**Compensation**") payable for each full business year of va-Q-tec per va-Q-tec Share shall equal the gross amount of EUR 1.18 each ("**Gross Compensation Amount**"), less any amount of corporation tax (*Körperschaftsteuer*) and solidarity surcharge (*Solidaritätszuschlag*) payable by va-Q-tec in accordance with the rates applicable to these taxes for the relevant business year, it being understood that this deduction shall be made only on the partial amount of EUR 0.13 included in the Gross Compensation Amount that relates to profits which are subject to German corporation tax. Taking into account the circumstances at the time of the conclusion of this agreement, 15% corporation tax plus 5.5% solidarity surcharge, i.e. EUR 0.02, shall be deducted from such partial amount of EUR 0.13 per va-Q-tec Share. Together with the remaining pro-rata Gross Compensation Amount of EUR 1.05 per va-Q-tec Share relating to the profits that are not subject to German corporation tax, and following a rounding to a full cent amount in accordance with commercial practices, this results in a net Compensation amount of EUR 1.16 per va-Q-tec Share for every full business year of va-Q-tec as of the circumstances at the time of the conclusion of this agreement.

4.4 It is hereby clarified that, to the extent required by law, any incurred withholding taxes (e.g. capital gains tax (*Kapitalertragsteuer*) plus solidarity surcharge) shall be deducted from the Guaranteed Payment or the Recurring Compensation Payment.

4.5 The Guaranteed Payment or the Recurring Compensation Payment, respectively, shall be due on the third business day following the ordinary shareholders' meeting of va-Q-tec for the relevant preceding business year of va-Q-tec, the Recurring Compensation Payment, however, no later than eight months following the end of the relevant business year of va-Q-tec.

4.6 If this agreement ends during a business year of va-Q-tec or if, during the term of this agreement, va-Q-tec establishes a short business year (*Rumpfgeschäftsjahr*), the Compensation shall be reduced *pro rata temporis* for the relevant business year.

4.7 If the share capital of va-Q-tec is increased by way of using company funds of va-Q-tec in exchange for the issuance of new shares, the Compensation per va-Q-tec Share shall be reduced to the extent that the aggregate amount of the Compensation remains unchanged. If the share capital of va-Q-tec is increased by issuing new shares against contribution in cash and/or in kind, the rights arising from this § 4 shall also apply to the shares subscribed to by outside shareholders in such capital increase. The beginning of the entitlement to rights arising from this § 4 in respect of the newly issued shares shall follow the beginning of the right to dividends (*Gewinnanteilsberechtigung*) as set out by va-Q-tec at the time of the issuance of the new shares.

4.8 If appraisal proceedings pursuant to the German Act on Appraisal Proceedings (*Spruchverfahrensgesetz*, "**SpruchG**") are initiated and the court determines a higher Compensation by a non-appealable decision, or a higher Compensation is agreed in a judicially recorded settlement (*gerichtlich protokollierter Vergleich)* or in a judicially approved settlement (*gerichtlich festgestellter Vergleich*) to end the appraisal proceedings pursuant to Section 11 para. 4 SpruchG, all outside shareholders of va-Q-tec, even if they have already been compensated in accordance with § 5 of this agreement, shall be entitled to request a corresponding supplement to the Compensation.

§ 5 Severance Payment

5.1 Fahrenheit AcquiCo undertakes, upon request of an outside shareholder of va-Q-tec, to acquire his or her va-Q-tec Shares for a cash severance ("**Severance Payment**") in the amount of EUR 21.80 per va-Q-tec-Share.

5.2 The obligation of Fahrenheit AcquiCo to acquire the shares shall be limited in time. The period of time shall lapse two months after the date on which the registration of this agreement with the commercial register of va-Q-tec was announced pursuant to Section 10 HGB. An extension of this period of time pursuant to Section 305 para. 4 sentence 3 AktG as a result of a motion for determination of the adequate Compensation or the adequate Severance Payment by the court specified in Section 2 SpruchG shall remain unaffected; in this event, the period of time shall lapse two months after the date on which the decision on the last motion ruled was published in the Federal Gazette (*Bundesanzeiger*).

5.3 If, until the expiry of the period of time specified in Section 5.2 of this agreement, the share capital of va-Q-tec is increased by way of using company funds of va-Q-tec in exchange for the issuance of new shares, the Severance Payment per share shall be reduced from this point in time to the extent that the aggregate amount of the Severance Payment remains unchanged. If, by the expiry of the period of time specified in Section 5.2 of this agreement, the share capital of va-Q-tec is increased by issuing new shares against contribution in cash and/or in kind, the rights arising from this § 5 shall also apply to the shares subscribed to by outside shareholders in such capital increase.

5.4 The transfer of va-Q-tec Shares in exchange for Severance Payment shall be free of charge for the outside shareholders of va-Q-tec.

5.5 If appraisal proceedings pursuant to the SpruchG are initiated and the court determines a higher Severance Payment by a non-appealable decision, or a higher Severance Payment is agreed in a judicially recorded settlement (*gerichtlich protokollierter Vergleich)* or in a judicially approved settlement (*gerichtlich festgestellter Vergleich*) to end the appraisal proceedings pursuant to Section 11 para. 4 SpruchG, all outside shareholders of va-Q-tec, even if they have already been compensated in accordance with § 5 of this agreement, shall be entitled to request a corresponding supplement to the Severance Payment.

5.6 If this agreement ends upon termination by Fahrenheit AcquiCo or va-Q-tec at a time when the period of time pursuant to Section 5.2 of this agreement regarding the obligation of Fahrenheit AcquiCo to acquire va-Q-tec Shares against the Severance Payment pursuant to Section 5.1 of this agreement has lapsed, every outside shareholder of va-Q-tec at that point in time shall be entitled to tender his or her va-Q-tec Shares held at the time of the termination of this agreement to Fahrenheit AcquiCo against the Severance Payment pursuant to Section 5.1 of this agreement, and Fahrenheit AcquiCo shall be obligated to acquire the va-Q-tec Shares tendered by the outside shareholder of va-Q-tec against the Severance Payment pursuant to Section 5.1 of this agreement. If the Severance Payment per va-Q-tec Share pursuant to Section 5.1 of this agreement is increased by way of a non-appealable decision in appraisal proceedings (*Spruchverfahren*) or by way of a judicially recorded settlement (*gerichtlich protokollierter Vergleich*) or judicially approved settlement (*gerichtlich festgestellter Vergleich*) to end the appraisal proceedings pursuant to Section 11 para. 4 SpruchG, Fahrenheit AcquiCo shall acquire the va-Q-tec Shares tendered by the outside shareholder against the Severance Payment per va-Q-tec Share as determined in the appraisal proceedings or the judicially recorded or judicially approved settlement. The rights arising from this Section 5.6 shall be limited in time. The period of time shall lapse two months after the date on which the registration of the termination of this agreement with the commercial register of va-Q-tec was announced pursuant to Section 10 HGB ("**Tender Period**"). Sections 5.3 and 5.4 of this agreement shall apply accordingly. The Severance Payment owed pursuant to Section 5.6 of this agreement shall, if claimed in due time, become due upon expiration of the Tender Period and delivery of the tendered va-Q-tec Shares for transfer to Fahrenheit AcquiCo contemporaneously (*Zug um Zug*) with payment of the Severance Payment and shall, after expiration of the Tender

Period and delivery of the tendered va-Q-tec Shares for transfer to Fahrenheit AcquiCo contemporaneously (*Zug um Zug*) with payment of the Severance Payment, bear interest at an annual rate of 5 percentage points above the respective base interest rate (*Basiszinssatz*) pursuant to Section 247 BGB. The interest provision of Section 305 para. 3 sentence 3 AktG shall not apply to a Severance Payment owed pursuant to Section 5.6 of this agreement; this shall also apply if a corresponding interest rate has been determined for the Severance Payment pursuant to Section 5.1 of this agreement by way of a non-appealable decision in appraisal proceedings (*Spruchverfahren*) or by way of a judicially recorded settlement (*gerichtlich protokollierter Vergleich*) or judicially approved settlement (*gerichtlich festgestellter Vergleich*) pursuant to Section 11 para. 4 SpruchG.

§ 6 Right to Information

6.1 Fahrenheit AcquiCo shall be entitled to inspect the books and records of va-Q-tec at any time.

6.2 The management board of va-Q-tec shall be obligated to supply Fahrenheit AcquiCo with all requested information on all matters relating to va-Q-tec at any time.

6.3 Notwithstanding the rights above, va-Q-tec shall be obligated to keep Fahrenheit AcquiCo continuously informed on the business development and, specifically, on material transactions.

6.4 Any statutory provisions conflicting with the obligations set out in this § 6 shall remain unaffected.

§ 7 Effectiveness; Term

7.1 This agreement shall require the consent of the shareholders' meeting of va-Q-tec and the consent of the shareholders' meeting of Fahrenheit AcquiCo to become effective.

7.2 This agreement shall become effective upon its registration with the commercial register of va-Q-tec, but no earlier than the beginning of the business year of va-Q-tec commencing on 1 January 2024.

7.3 This agreement shall apply

a) with respect to the obligation of Fahrenheit AcquiCo to compensate losses pursuant to § 3 of this agreement (retroactively, if applicable), from the beginning of the business year of va-Q-tec in which this agreement becomes effective pursuant to Section 7.2 of this agreement; and

b) with respect to the obligation of Fahrenheit AcquiCo to transfer profits pursuant to § 2 of this agreement, from the beginning of the business year of va-Q-tec commencing on 1 January 2025 or – provided that this agreement become effective only in a later business year in accordance with Section 7.2 of this agreement –

(retroactively, if applicable) from the beginning of such later business year in which this agreement becomes effective pursuant to Section 7.2 of this agreement.

7.4 This agreement is entered into for an indefinite period of time.

7.5 Fahrenheit AcquiCo may terminate this agreement without cause (*ordentlich kündigen*) at any time with a notice period of six months prior to the end of a business year of va-Q-tec, but no earlier than as per the end of the fixed minimum term described in more detail below ("**Fixed Minimum Term**"). The Fixed Minimum Term shall end at the end of the business year of va-Q-tec, after which the minimum term of profit transfer agreement in accordance with Section 14 para. 1 sentence 1 no. 3 of the Corporation Tax Act (*Körperschaftsteuergesetz*, " **KStG**") (or corresponding successor provisions), in the version applicable to the relevant period of time, for the recognition of a consolidated tax group for corporation tax and trade tax purposes has been fulfilled, but no earlier than five full years (60 months), calculated from the beginning of the business year referred to in Section 2.3 of this agreement, for which the obligation to transfer profits pursuant to Section 2 of this agreement applies for the first time. The right of va-Q-tec for a termination without cause (Section 297 para. 2 AktG) is excluded.

7.6 Each Party may terminate this agreement for cause (*aus wichtigem Grund*) without notice (Section 297 para. 1 sentence 1 AktG). The right to termination for cause shall, in particular, include

a) the loss of the direct or indirect majority of the voting rights of Fahrenheit AcquiCo in the shareholders' meeting of va-Q-tec;

b) the merger, demerger or liquidation of a Party, except for a demerger (*Spaltung*) of va-Q-tec by way of a spin-off (*Ausgliederung*) of parts of its assets to a wholly owned subsidiary;

c) the cessation of the financial integration (*finanzielle Eingliederung*) of va-Q-tec into Fahrenheit AcquiCo within the meaning of Section 14 para. 1 sentence 1 no. 1 KStG;

d) the conversion of va-Q-tec into a legal form that cannot be a subsidiary company (*Organgesellschaft*) within the meaning of Sections 14, 17 KStG;

e) other circumstances that constitute good cause (*wichtiger Grund*) from a tax perspective regarding the termination of this agreement; or

f) if Fahrenheit AcquiCo fails to comply with existing payment obligations under this agreement, after va-Q-tec has notified Fahrenheit AcquiCo thereof in text form (Section 126b BGB) with reference to this provision and granted Fahrenheit AcquiCo at least a one-month grace period to comply with its payment obligations. Section 297 para. 1 sentence 2 AktG shall remain unaffected.

7.7 In the event of a termination for cause, this agreement shall terminate at the end of the day specified in the termination notice, but no earlier than per the end of the day on which the termination notice is received by the other Party.

7.8 If this agreement is terminated, Fahrenheit AcquiCo shall provide security to the creditors of va-Q-tec in accordance with Section 303 AktG.

7.9 Any termination of this agreement must be in writing (Section 297 para. 3 AktG).

§ 8 Miscellaneous

8.1 Amendments or supplements to this agreement must be made in writing unless a stricter form is required by statutory law. This shall also apply to this written form requirement. Section 295 AktG applies.

8.2 Should any provision of this agreement be or become invalid and/or unenforceable as a whole or in part, or should there be a gap in this agreement, this shall irrefutably not affect or impair the validity and enforceability of the remaining provisions of this agreement. Instead of the invalid and/or unenforceable provision or for the fulfillment of a gap, the Parties undertake to agree upon such adequate, valid and enforceable provision that most closely corresponds to the economic purpose pursued by the invalid and/or unenforceable provision. This applies in particular if va-Q-tec establishes a short business year (*Rumpfgeschäftsjahr*) before 1 January 2025. Further, the Parties expressly and irrefutably agree that this agreement shall not constitute a legal unity (*rechtliche Einheit*) within the meaning of Section 139 BGB with any other legal transactions or agreements which are or will be effected or concluded between the Parties.

8.3 When construing this agreement, the provisions regarding the recognition of an income tax fiscal unity (*ertragssteuerliche Organschaft*), in particular Sections 14 to 19 KStG, as amended from time to time, shall be taken into account.

8.4 To the extent legally permissible, Würzburg shall be the place of performance (*Erfüllungsort*) for the mutual obligations arising from this agreement and shall further be the exclusive place of jurisdiction (*ausschließlicher Gerichtsstand*).

(signature pages follow)

(Signature page Domination and Profit and Loss Transfer Agreement)

va-Q-tec AG

Date: _________________________

Name:	Name:
Position:	Position:

(Signature page Domination and Profit and Loss Transfer Agreement)

Fahrenheit AcquiCo GmbH

Date: ________________________

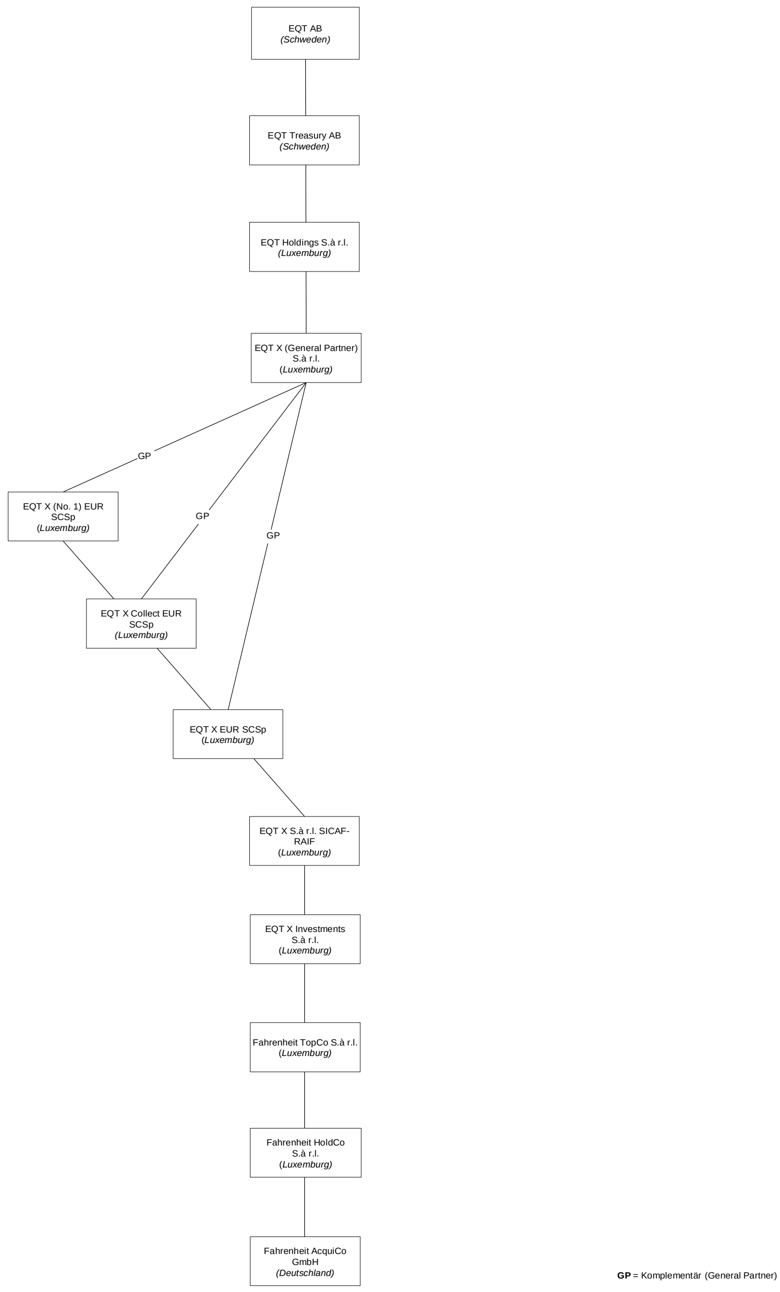
____

Name:

Position:

Annex 3

Chart with an overview of the control structure of Fahrenheit AcquiCo GmbH



Annex 4

Resolution of the Nuremberg-Fuerth Regional Court (Landgericht) dated 17 February 2023 and amending resolution of the Nuremberg-Fuerth Regional Court (Landgericht) dated 23 February 2023 on the appointment of Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Holzmarkt 1, 50676 Cologne, as expert auditor (Contract Auditor) within the meaning of Sec. 293b (1) AktG

Abschrift

Landgericht Nürnberg-Fürth

Az.: 1 HK O 781/23

In dem Rechtsstreit

1) **va-Q-tec AG**, vertreten durch d. Vorstand, Alfred-Nobel-Straße 33, 97080 Würzburg
   - Antragstellerin -

   Prozessbevollmächtigte:
   Rechtsanwälte **Hogan Lovells International LLP**, Große Gallusstraße 18, 60312 Frankfurt, Gz.: 146951, 000036

2) **Fahrenheit AcquiCo GmbH**, vertreten durch d. Geschäftsführer, c/o Milbank LLP, Maximilianstraße 15, 80539 München
   - Antragstellerin -

   Prozessbevollmächtigte:
   Rechtsanwälte **Milbank LLP**, Maximilianstraße 15, 80539 München

wegen Prüferbestellung

erlässt das Landgericht Nürnberg-Fürth - 1. Kammer für Handelssachen - durch den Vorsitzenden Richter am Landgericht Walther am 17.02.2023 folgenden

Beschluss

1. Als Vertragsprüfer für den zwischen den Antragstellerinnen beabsichtigten Gewinnabführungsvertrag wird die

   Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft,

   Herr WP und StB Jörg Neis ,

   Holzmarkt 1,

   50676 Köln

   ausgewählt und bestellt.

2. Die Antragstellerinnen tragen die Kosten des Verfahrens.

3. Der Gegenstandswert wird auf 10.000 € festgesetzt.

Gründe:

Die Antragstellerinnen beabsichtigen den Abschluss eines Gewinnabführungsvertrages. Gem. § 293b AktG ist dieser Vertrag von wenigstens einem Vertragsprüfer zu prüfen. Gem. § 293c AktG wählt und bestimmt diesen das zuständige Landgericht Nürnberg-Fürth.

Entsprechend der vergleichbaren Regelung in § 10 UmwG kann - wie hier geschehen - ein Vorschlag zur Person des Prüfers zur Bestellung unterbreitet werden (vgl. Lutter, Rdnr.7 f zu § 10 UmwG). Einem Vorschlag der Antragstellerinnen war zu folgen, da Hinderungsgründe nicht ersichtlich sind.

Die Kostenentscheidung ergibt sich aus § 81 FamFG i. V. m. § 293c AktG, 10 Abs. 3 UmwG.

Die Festsetzung des Gegenstandswert beruht auf § 36 GNotKG.

gez.

Walther
Vorsitzender Richter am Landgericht

Abschrift

Landgericht Nürnberg-Fürth

Az.: 1 HK O 781/23

In dem Rechtsstreit

1) **va-Q-tec AG**, vertreten durch d. Vorstand, Alfred-Nobel-Straße 33, 97080 Würzburg
   - Antragstellerin -

   Prozessbevollmächtigte:
   Rechtsanwälte **Hogan Lovells International LLP**, Große Gallusstraße 18, 60312 Frankfurt, Gz.: 146951, 000036

2) **Fahrenheit AcquiCo GmbH**, vertreten durch d. Geschäftsführer, c/o Milbank LLP, Maximilianstraße 15, 80539 München
   - Antragstellerin -

   Prozessbevollmächtigte:
   Rechtsanwälte **Milbank LLP**, Maximilianstraße 15, 80539 München

wegen Prüferbestellung

erlässt das Landgericht Nürnberg-Fürth - 1. Kammer für Handelssachen - durch den Vorsitzenden Richter am Landgericht Walther am 23.02.2023 folgenden

Beschluss

Der Beschluss des Landgerichts Nürnberg-Fürth - 1. Kammer für Handelssachen - vom 17.02.2023 wird

a) im Rubrum wie folgt berichtigt:
Das Wort „Gewinnabführungsvertrag“ wird ersetzt durch „Beherrschungs- und Gewinnabführungsvertrag“ und

b) in den Gründen wie folgt berichtigt:

Das Wort „Gewinnabführungsvertrages“ wird ersetzt durch „Beherrschungs- und Gewinnabführungsvertrages“.

Gründe:

Es liegt ein offensichtliches Schreibversehen vor, § 319 ZPO.

gez.

Walther
Vorsitzender Richter am Landgericht

Annex 5

Valuation Report of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft dated 13 July 2023 on the determination of the enterprise value of va-Q-tec AG as of 29 August 2023

va-Q-tec AG, Würzburg

CONVENIENCE TRANSLATION
German report remains the sole authoritative version

Expert opinion on the equity value of va-Q-tec AG, the reasonable compensation and the reasonable cash consideration pursuant to Sec. 304, 305 AktG

13 July 2023

EY
Building a better working world

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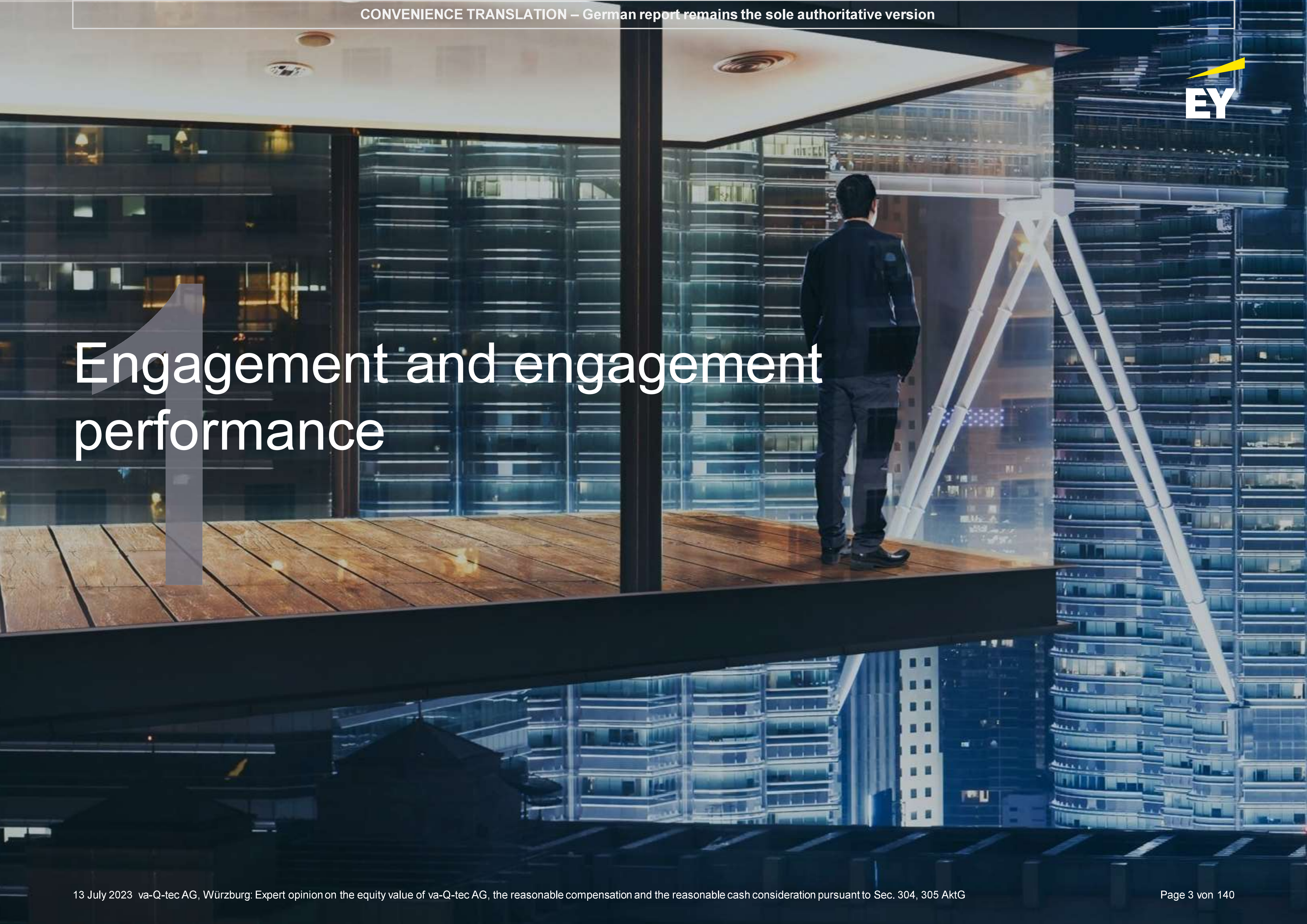

1 Engagement and engagement performance

Engagement

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Engagement

The Management Board of va-Q-tec AG (hereinafter "va-Q-tec" or the "company"), based in Würzburg, and the Management Board of Fahrenheit AcquiCo GmbH (hereinafter “AcquiCo”), based in Frankfurt am Main (hereinafter also jointly referred to as the "Client"), engaged us by agreement dated 14 February 2023 to determine the equity value of va-Q-tec as of the 29 August 2023.

The background to our engagement is the intention of the parties to enter into a domination and profit and loss transfer agreement pursuant to Sec. 291 AktG in accordance with the ad hoc announcement made on 9 December 2022. Our task is to determine the equity value in accordance with IDW S 1 and to derive the reasonable compensation pursuant to Sec. 304 AktG and the reasonable cash consideration pursuant to Sec. 305 AktG.

In conducting our work, we observed the standard of the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW) “Principles for the Performance of Business Valuations” (IDW S 1 from 2 April 2008). In keeping with these standards, we are submitting this report in our capacity as neutral expert. The equity value calculated by us is an objectified amount.

The General Terms and Conditions of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft dated October 2021, which are attached to this expert opinion as an appendix, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement. Consequently, pursuant to sections 13 to 15 of the General Terms and Conditions, the liability for our work is limited to EUR 4m or EUR 5m.

Our report and all other statements are intended solely for the information of our Client as a basis for decision-making in connection with this report and may not be used for other purposes. It is permissible to pass on copies of drafts of our report or our report to third parties in individual cases as envisaged by our Client, provided we enter into a separate agreement with the third party in this regard.

The limitations imposed on the use of this report do not apply to any publications and measures taken in connection with the preparation and conduct of the Annual General Meeting concerning the approval of the planned conclusion of the domination and profit and loss transfer agreement or with regard to any court action that may be sought against va-Q-tec or Fahrenheit AcquiCo with regard to this General Meeting.

Performance of the engagement

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Performance of the engagement

We carried out our work from February 2023 to July 2023 in the offices of va-Q-tec in Würzburg, in our office in Eschborn, and in the home office. Our work is based on the state of knowledge as of 13 July 2023.

In the event of significant changes in the company's asset, financial, and earnings situation or other valuation fundamentals between the completion of our valuation work and the expected resolution of the ordinary General Meeting of va-Q-tec regarding the domination and profit and loss transfer agreement on 29 August 2023, these changes must be taken into account in the valuation.

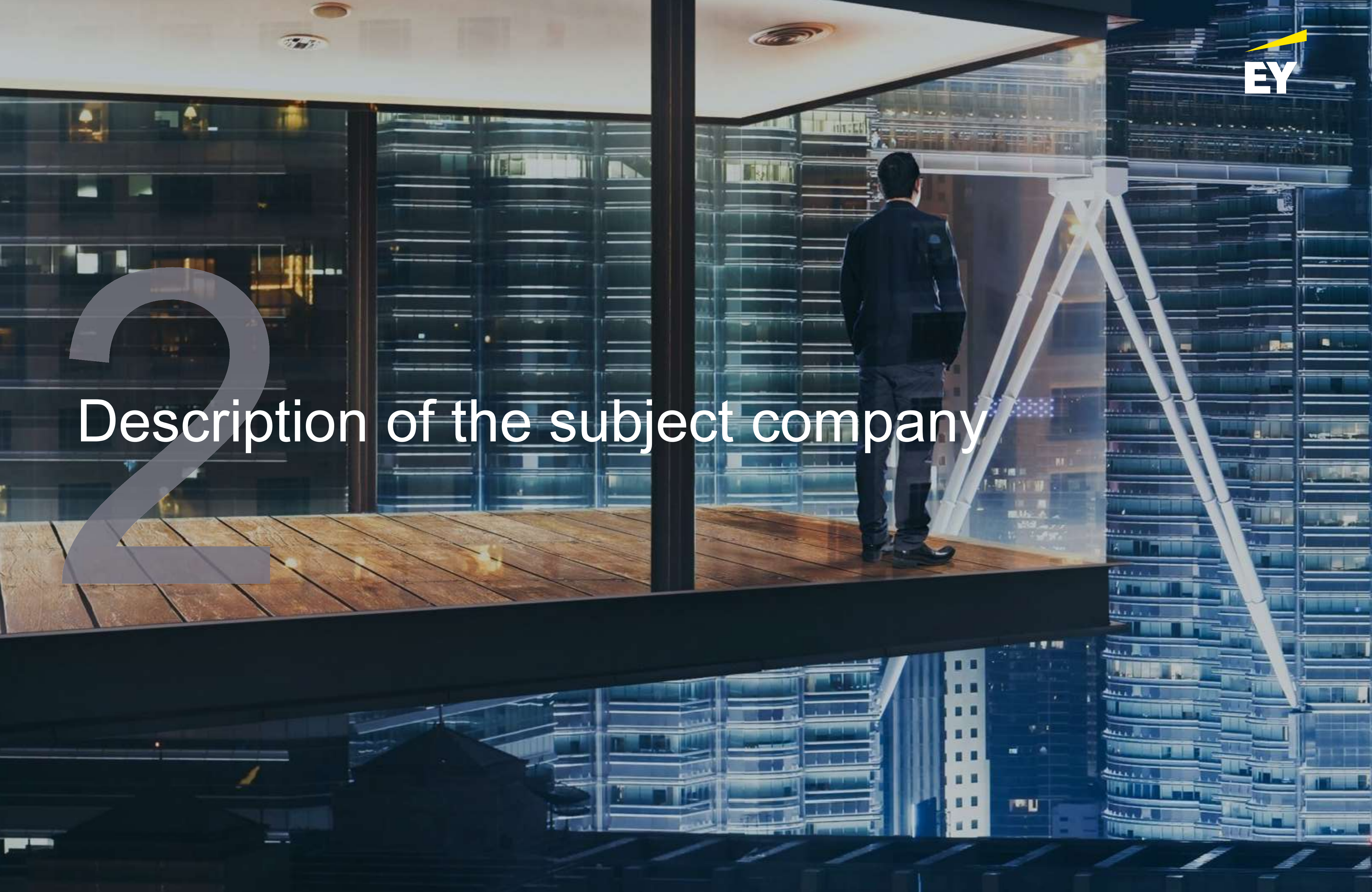
Please note that the scope of our examinations and work does not constitute an audit in accordance with generally accepted auditing standards as defined by Sec. 316 et seq. HGB. We therefore do not render an audit opinion on the financial data and additional data presented in our report. Our responsibility is thus restricted to the application of due professional care.

For the execution of the engagement, we essentially had the documents listed in Appendix C at our disposal. The board of management of va-Q-tec and the management of Fahrenheit AcquiCo, as well as persons designated by them, provided us with further information.

The information required for our valuation was readily provided. The board of directors of va-Q-tec and the management of Fahrenheit AcquiCo each provided us with a declaration of completeness stating that all information relevant to this expert opinion has been communicated to us correctly and completely.

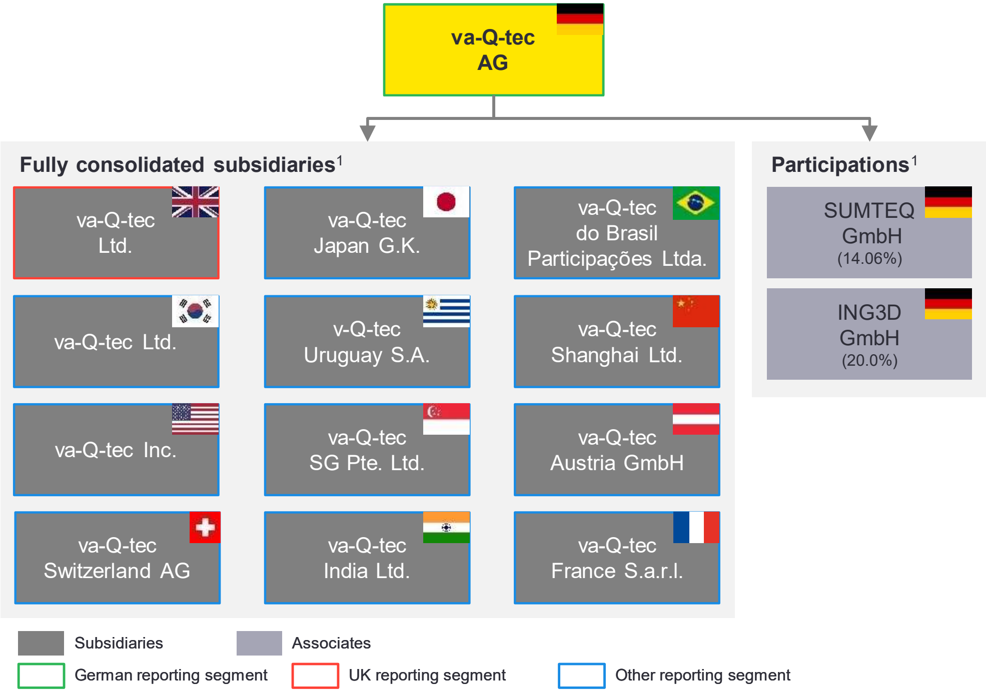
The subsequent presentations of the derivation of the equity value are generally shown rounded. Since the calculations were made with exact, unrounded values, rounding deviations may occur in the presentation when adding or subtracting values.

Unless otherwise explained, all financial figures reproduced are based on the IFRS accounting principles.



2 Description of the subject company

Legal and tax background



[1] Unless otherwise described, the shareholding corresponds to 100%

Legal fundamentals

va-Q-tec together with its consolidated subsidiaries forms the va-Q-tec Group (hereafter also "the Group"). In addition to va-Q-tec as the parent company, the va-Q-tec Group includes twelve fully consolidated subsidiaries in twelve countries. Furthermore, va-Q-tec holds two participations. In the 2022 fiscal year, the va-Q-tec Group generated revenue and an operating income (EBIT) of EUR 111.8m and EUR -7.3m, respectively.

The three reporting segments of the Group are derived from the 13 companies: the German reporting segment (va-Q-tec), the UK reporting segment (va-Q-tec Ltd., United Kingdom), and the Other reporting segment, which consolidates the remaining fully consolidated subsidiaries.

Registered Office, Fiscal Year, and Corporate Purpose

va-Q-tec is a listed stock corporation under German Law with its registered office in Würzburg. It is registered in the commercial register of the Würzburg district court under the number HRB 7368.

va-Q-tec's fiscal year ends on 31 December of each year. According to Sec. 2 (1) of the company's articles of association, the corporate purpose is defined as follows:

- Development, production, and operation of innovative insulation components and insulation systems, in particular vacuum insulation systems, heat and cold storage components, and system solutions with these components.
- Development, production, and distribution of software and electronic measuring instruments for the measurement of physical quantities, as well as the rental of thermal packaging and thermal consulting and development for this purpose.

va-Q-tec can conduct all business operations that serve the corporate purpose itself or through its subsidiaries. In addition, va-Q-tec can establish branch offices and participate in similar or related companies in Germany and abroad, acquire such companies or establish new ones, take over their management, and conclude corporate contracts.

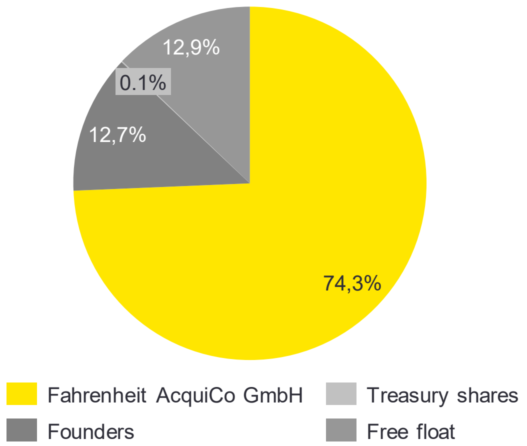
Legal and tax background

Share capital as of 31 December 2022
EUR 13,415,000.00

Capital increase on 11 July 2023
EUR 1,341,500.00

Share capital at valuation date, 29 August 2023
EUR 14,756,500.00

Shareholder structure at the valuation date



Source: Management information, EY analysis

Share capital and shareholder structure

As of 31 December 2022, the share capital of va-Q-tec amounted to EUR 13,415,000.00 and was divided into 13,415,000 no-par value registered shares representing a portion of the share capital of EUR 1.00 each. There are no different types of shares, so each va-Q-tec share grants its holder one vote.

Pursuant to Sec. 6 (4) of the articles of association of va-Q-tec, the board of directors is authorized to increase the company's share capital by up to EUR 6,707,500.00 until 1 June 2027, with the approval of the supervisory board, by issuing 6,707,500 new registered shares with a nominal value of EUR 1.00 each against cash or non-cash contributions. Shareholders are generally entitled to subscription rights, but the board of directors is authorized, with the approval of the supervisory board, to exclude subscription rights in certain cases specified in Sec. 6 (4) of the articles of association.

On 11 July 2023, an authorized capital increase was carried out against cash contributions amounting to 10% of the share capital. Accordingly, 1,341,500 no-par bearer shares with a portion of the share capital of EUR 1.00 each were issued. Fahrenheit AcquiCo was entitled to subscribe to the new shares without subscription rights. The new registered shares were issued at a price of EUR 26.00.

At the time of our work, the share capital of va-Q-tec amounted to EUR 14,756,500.00, divided into 14,756,500 no-par value registered shares with a portion of the share capital of EUR 1.00 each. va-Q-tec itself has a total stock of 13,566 own shares. These shares do not carry any voting rights. Deducting these 13,566 own shares, the issued share capital at the time of our work or the valuation date was 14,742,934 shares.

Since 30 September 2016, va-Q-tec shares have been listed for trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) under the International Securities Identification Number (ISIN) DE0006636681 (security identification number 663668) and are traded via the electronic trading system ("XETRA") of Deutsche Börse AG, Frankfurt am Main. In addition, va-Q-tec shares are traded on various other stock exchanges in the public market.

The majority of the shares (10,969,669 shares, approximately 74.3% of the share capital) are owned directly by Fahrenheit AcquiCo, a holding company held by EQT AB based in Stockholm, Sweden. In addition, Fahrenheit AcquiCo holds the voting rights from another 1,875,651 shares (approximately 12.7% of the share capital) held by members of the founding families of va-Q-tec, subject to a voting agreement with Fahrenheit AcquiCo. A total of 13,566 shares (approximately 0.1% of the share capital) are held by va-Q-tec as treasury shares. The remaining shares (1,897,614 shares, approximately 12.9% of the share capital) are in free float.

Legal and tax background

Tax fundamentals

va-Q-tec

- va-Q-tec is subject to unlimited tax liability in Germany on its worldwide income, including corporate income tax of 15% and a solidarity surcharge of 5.5% and trade tax. The trade tax is a combination of a fixed rate of 3.5% and a municipal rate (‘assessment rate’), which depends on the municipality where the business is located. Since va-Q-tec operates in Würzburg (assessment rate of 420%) and Kölleda (assessment rate of 400%), the taxable income for trade tax purposes is usually divided in proportion to the wage sums incurred in each respective municipality. For va-Q-tec, the total tax burden ranges from 29.825% to 30.525%.
- As of 31 December 2020, va-Q-tec had a tax-recognized contribution account [steuerliches Einlagekonto] of EUR 50.4m according to the most recent assessment notice.
- As of 31 December 2020, va-Q-tec had trade tax loss carryforwards of EUR 13.1m and corporate income tax loss carryforwards of EUR 12.8m according to the most recent assessment notice.

va-Q-tec Ltd.

- The va-Q-tec UK company has the legal form of a British Ltd. ("Limited") and is subject to unlimited tax liability in Great Britain.
- The company is subject to corporate income tax in the United Kingdom on its worldwide income and profits. The tax rate was 19% until the end of March 2023 and was increased to 25% from 1 April 2023, following changes adopted under the Finance Act 2021.
- va-Q-tec Ltd. has offset all loss carryforwards with profits, resulting in no taxes being payable for FY19 and FY20.

Other va-Q-tec foreign subsidiaries

- The other va-Q-tec foreign subsidiaries are each subject to taxation in their respective countries of domicile.
- The foreign subsidiaries have partial tax loss carryforwards, which are mainly distributed among the subsidiaries in the USA, Uruguay, and Singapore.

Economic background

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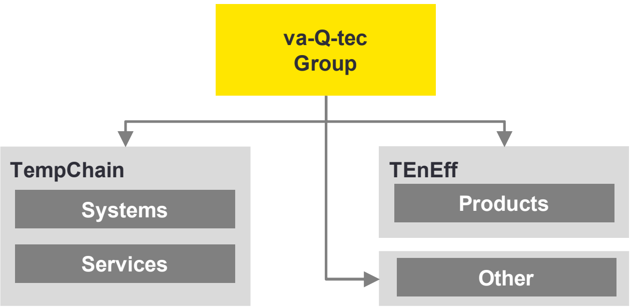
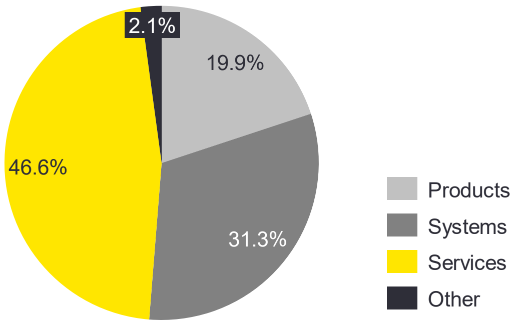
Breakdown of the va-Q-tec Group by business segments



Group revenue by business segment in FY22A

Business segment	Revenue (in EURm)
Products	22.3
Systems	35.0
Services	52.1
Other	2.4
Group	**111.8**



Source: Annual report 2022, EY analysis

Economic background

The va-Q-tec Group is a leading supplier of thermal insulation solutions used particularly in the transportation of pharmaceutical products, refrigeration and freezer appliances, buildings, technology and industry, as well as automobiles and airplanes. The company was founded in 2001 by Dr. Joachim Kuhn and Dr. Roland Caps.

The company's business activities are divided into three business segments: "Products," "Systems," and "Services" (Serviced Rental). In addition, revenue related to thermal consulting and government-funded research projects is recorded in the "Other" segment.

The "Products" segment focuses primarily on Thermal Energy Efficiency ("TEnEff"), while the "Systems" and "Services" segments are combined under Temperature Controlled Supply Chain ("TempChain") area.

- In the "Products" segment, va-Q-tec develops, manufactures, and distributes highly efficient, thin vacuum insulation panels ("VIPs") for insulation, as well as thermal energy storage components (Phase Change Materials - "PCMs") for energy-efficient storage of thermal energy.
- In the "Systems" segment, va-Q-tec develops, manufactures, and distributes passive thermal packaging, containers, and boxes by combining VIPs and PCMs.
- In the "Services" segment, the Group operates a fleet of rental containers and boxes for carrying out temperature-sensitive transports. In addition, accompanying services are provided for customers in the area of pre-conditioning, preparation, and shipping of thermal packaging systems in the form of so-called integrated and rental-based transport solutions ("TempChain as a service").

The "Products" segment targets customers in the following target markets under the aspect of optimal thermal insulation:

- Refrigeration and food, e.g., insulation of refrigerators/freezers and ultra-low temperature freezers
- Technology and industry, e.g., insulation of hot water tanks, pipelines, and laboratory equipment
- Construction, e.g., building insulation (facade, roof, floor)
- Mobility, e.g., insulation in refrigerated trucks, electric vehicles, rail vehicles, and airplanes

The TempChain segment mainly concerns customers from the target market of healthcare and logistics. This respective target market accounted for the largest share of revenue in FY22A at 78%.

Economic background

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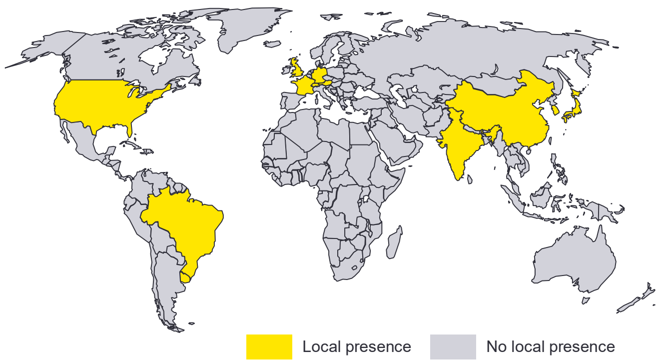
Revenues and FTEs by reporting segment in FY22A

Reporting segment	Avg. FTE	Revenue (in EURm)
German reporting segment	534	72.3
UK reporting segment	54	45.1
Other reporting segment	61	22.5
Group (agg.)		**141.9**
Consolidation		(30.0)
Group (cons.)	**616**	**111.8**

Quelle: Management information

Breakdown of the international presence



Source: Management information

Geographical breakdown of manufacturing and distribution

The development and production of the various products and systems within the va-Q-tec Group are carried out in Germany at the locations in Würzburg and Kölleda. In addition, va-Q-tec Inc. in the USA manufactures boxes from the parts prefabricated in Germany.

The distribution of vacuum insulation panels ("VIPs") and thermal energy storage components (Phase Change Materials - "PCMs") in the business segment "Products" is carried out exclusively by va-Q-tec.

The distribution of thermal packaging, containers, and boxes in the business segment "Systems" is carried out worldwide by the respective country subsidiary.

The worldwide rental of containers is almost exclusively done through va-Q-tec Ltd. in the UK, while the rental business with boxes is handled by the respective country subsidiaries. The boxes and containers used are self-produced.

The international subsidiaries also serve as logistics centers or warehouses for the provision of containers and boxes and are involved in the preconditioning, preparation, and shipment preparation of thermal packaging systems.

Overview of Group companies

The table below shows the Group companies and their operational purposes. In FY22A, subsidiaries were established among others in China and France. The establishment of each company is intended to strengthen commercial activities in their respective countries and regions.

Company	Country	City	Purpose
va-Q-tec AG	Germany	Würzburg & Kölleda	HQ, Production, Sales
va-Q-tec Ltd.	UK	Rochester	Sales Container Services
va-Q-tec Inc.	USA	East Rutherford, NJ	Sales; Fulfillment Center; Ind. third-party sales
va-Q-tec Ltd.	Republic of Korea	Joong-gu, Incheon	Sales; Raw material sourcing; Ind. third-party sales
va-Q-tec Switzerland AG	Switzerland	Zurich	Sales; Fulfillment Center; Ind. third-party sales
va-Q-tec Japan G.K.	Japan	Tokyo	Sales; Ind. third-party sales
va-Q-tec Uruguay S.A.	Uruguay	Montevideo	Sales; Ind. third-party sales
va-Q-tec SG PTE. Ltd.	Singapore	Singapore	Sales; Fulfillment Center; Ind. third-party sales
va-Q-tec India Ltd.	India	New Delhi	Sales; Ind. third-party sales
va-Q-tec do Brasil Ltda.	Brazil	Sao Paulo	Sales; Ind. third-party sales
va-Q-tec Shanghai Ltd.	China	Shanghai	Sales; Ind. third-party sales
va-Q-tec Austria GmbH	Austria	Salzburg	Shelf company
va-Q-tec France SARL	France	Paris	Sales; Ind. third-party sales

Source: Management information — German reporting segment; UK reporting segment; Other reporting segment

Market and competitor analysis

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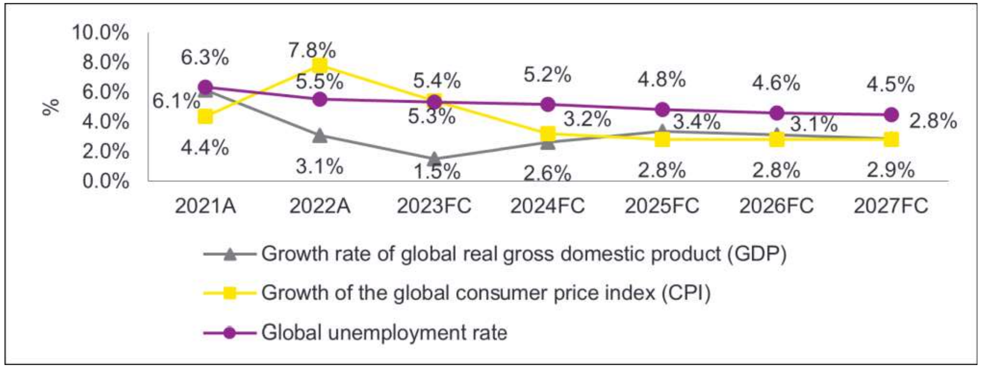
Gross domestic product (GDP) growth, consumer price index (CPI) growth and global unemployment rate 2021A to 2027FC



Source: Oxford Economics (Feb23)

Analysis of the global economic situation

In 2021A, the global real gross domestic product (GDP) recorded a growth of 6.1%. This robust growth was a sign of strong economic recovery following the challenges and restrictions related to the Covid-19 pandemic. The introduction of vaccination programs and easing measures helped the economy recover and pick up speed in many countries.

In the following year 2022A, the growth continued, albeit at a slightly reduced rate of 3.1%. During this period, various economic incentives and measures were taken to boost demand and support businesses.

However, a slowdown in real GDP growth is expected for the year 2023FC. According to forecasts from Oxford Economics, a growth rate of approximately 1.5% is predicted. There are several factors contributing to this decline in GDP growth.

A significant factor is the increased inflation observed in some countries. Rising commodity prices, supply constraints, and increased production costs have led to an increase in consumer prices. This can burden the purchasing power of consumers and can lead to subdued demand, affecting economic growth.

In response to rising inflation, the world's leading central banks have taken measures to adjust monetary policies and raise interest rates. These interest rate hikes have helped to slightly curb the price increase. A forecasted inflation rate of 5.4% is expected for the year 2023FC compared to 7.8% in the year 2022A. Due to further expected interest rate hikes, a further decline in the global consumer price index to 3.2% in the year 2024FC and 2.8% in the following years is predicted.

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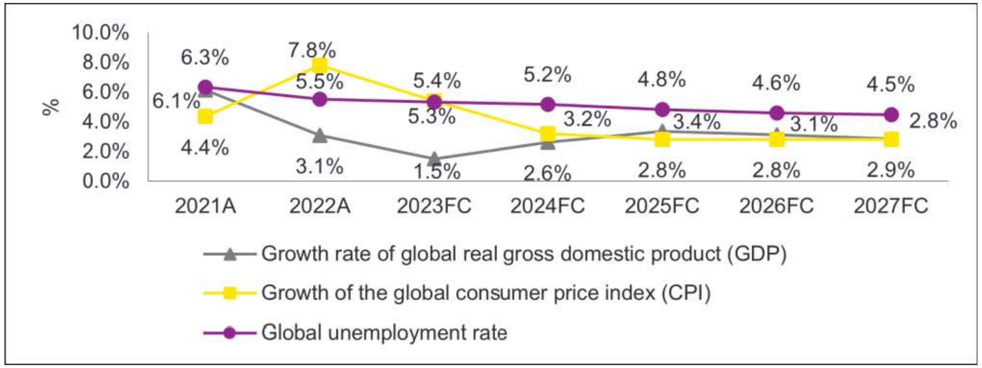
Gross domestic product (GDP) growth, consumer price index (CPI) growth and global unemployment rate 2021A to 2027FC



Source: Oxford Economics (Feb23)

These interest rate hikes are intended to further control inflation and promote stable economic development. On the other hand, these interest rate hikes also increase borrowing costs, negatively impacting companies' willingness to invest and correspondingly negative consequences for further economic growth.

Another geopolitical factor affecting overall economic growth is the escalating Ukraine conflict. Political tensions and uncertainty in the region can shake investor confidence and lead to increased caution in business activities. Due to this conflict, there has already been a significant increase in energy prices worldwide with a corresponding impact on other sectors of the economy. As higher energy costs increased production costs, the increase ultimately had a significant impact on consumer prices as well.

As a consequence of the Ukraine conflict, the U.S. dollar strengthened with corresponding effects on the world market, as exports became cheaper and imports more expensive. This can lead to a change in trade balances and distortions in competition.

The impact of the stated factors will be particularly noticeable in the industrialized countries, where GDP growth is expected to fall from 2.6% in 2022A to 0.2% in 2023FC.

Developing countries are also expected to see a decline in GDP growth, from 3.7% in 2022A to 3.2% in 2023FC. Key factors in this slowdown are weaker external demand, currency depreciation, and high debt levels in some developing countries.

A compounding effect is the global unemployment level, which was about 5.5% in 2022A and is estimated to be about 5.3% in 2023FC. The pandemic and related economic challenges have led to layoffs and uncertainty in the labor market. This affects people's income and consumption spending and may further affect GDP growth in many countries.

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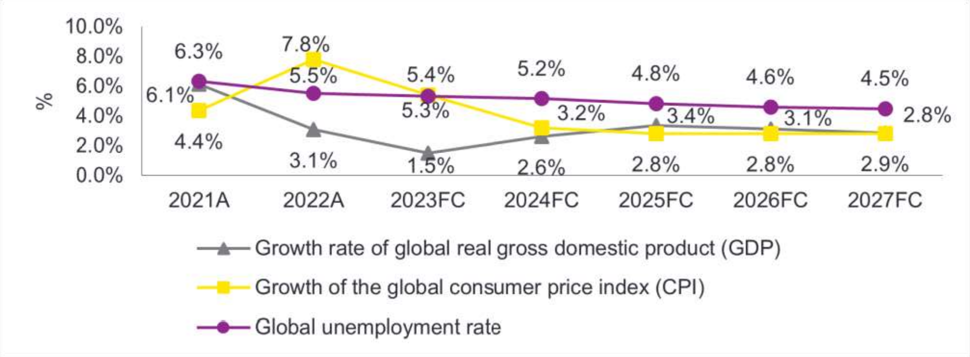
Gross domestic product (GDP) growth, consumer price index (CPI) growth and global unemployment rate 2021A to 2027FC



Source: Oxford Economics (Feb23)

Starting from 2024FC, the global economy is forecasted to recover due to catch-up effects and a decline in inflation rates. This recovery is expected to be accompanied by year-on-year growth in global real gross domestic product (GDP) of 2.6% to 3.4% in 2024FC and 2027FC. After previous economic challenges, this positive development will reflect a strengthening of global economic activity and an increasing demand for goods and services.

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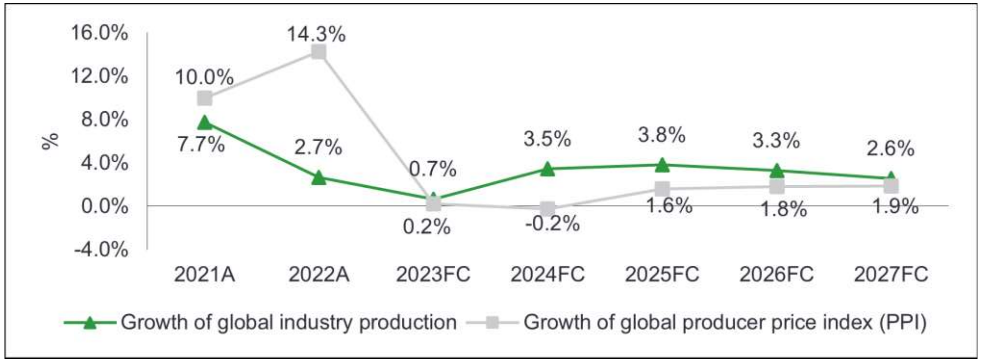
Global industrial production growth and producer price index (PPI) growth 2021A to 2027FC



Source: Oxford Economics (Feb23)

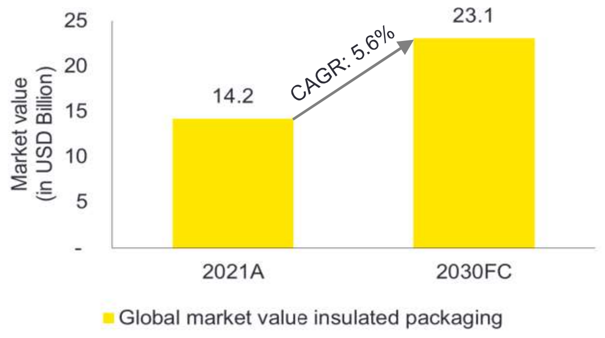
Development of global industrial production and the producer price index (PPI)

Due to the current global economic situation and increasing price pressure on the supply side, the global purchase price index recorded strong growth. In 2021A, the index rose by 10.0%, and subsequently increased to 14.3% in 2022A. This price increase was mainly due to various factors, such as the increased cost of raw materials and energy and other inputs in production. However, the growth of the global producer price index is expected to decline in the coming years. This is mainly due to the expected interest rates hikes and a projected decline in energy prices. In 2023FC, global purchase price index growth is forecasted to be low at 0.2%. This indicates a stabilization of prices. In 2024FC, the purchase price index is even expected to decline slightly by -0.2%, indicating low inflation.

Alongside the decline in real gross domestic product (GDP) growth, there was also a decline in industrial production growth in 2022A. After growing by 7.7% in 2021A, the growth rate of industrial production fell to 2.7% in 2022A. This decline was largely due to the previously mentioned factors of increased inflation, rising base interest rates, and declining investment, which also affect the forecast for 2023FC. In 2023FC, the industrial production growth rate is expected to decline further to 0.7%. This decline reflects the ongoing challenges facing industry worldwide, including uncertainty related to geopolitical tensions, trade restrictions, and the impact of the Covid 19 pandemic. These factors continue to impact production activities and demand for industrial goods.

Market and competitor analysis

Global market value insulated packaging 2021A to 2030FC



Source: Zion Global - Insulated packaging market (Jan23)

The global insulated packaging and thermal market

Insulated packaging - general

va-Q-tec is a company specializing in thermal/insulated packaging solutions and thermal insulation for industrial applications. Their product portfolio includes:

- passive temperature-controlled supply chain products ("TempChain") such as insulated storage boxes and tanks, as well as containers.
- products for thermal energy efficiency (“TEnEff”) such as VIPs and phase change materials (PCMs).

Based on Zion Market Research findings, the global market for thermal packaging solutions reached a value of USD 14.2 billion in 2021A. It is expected that this market will grow to USD 23.1 billion by 2030FC. An average Compound Annual Growth Rate (CAGR) of 5.6% is forecasted for the corresponding forecast period. This positive growth is mainly driven by the increasing demand in the pharmaceutical and healthcare sector for transportation of pharmaceutical and medical products that require temperature-resistant packaging.

The increase in demand for temperature-resistant packaging solutions in the pharmaceutical and healthcare sector can be attributed to several factors. A growing number of pharmaceutical and medical products require special packaging to ensure their efficacy and safety during transport and storage. In addition, strict regulations and guidelines for the safe transportation of medical products are becoming increasingly important, further increasing the demand for high-quality thermal packaging solutions.

Another factor driving the growth of the thermal packaging solutions market is the increasing online trade of medicines and the rising number of online food services. These developments have led to an increased need to protect perishable products such as medicines and food from extreme temperatures, especially during transport. The use of insulated packaging ensures a constant temperature and contributes to maintaining product quality and safety.

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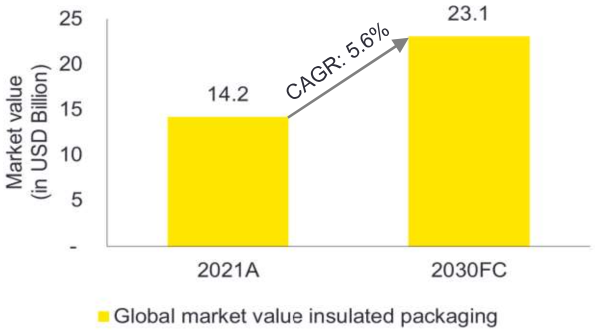
Global market value insulated packaging 2021A to 2030FC



Source: Zion Global - Insulated packaging market (Jan23)

Despite the positive growth of the insulated packaging industry, increasing costs of raw materials and growing government regulations are potential barriers to further growth. Prices of raw materials such as specialized insulation materials and other components can fluctuate and lead to higher production costs. This could impact the cost-effectiveness of thermal packaging and lead to a decrease in demand in some areas if alternative solutions are seen as more cost-effective.

Moreover, government regulations and requirements can influence the use of insulated packaging. Requirements for product safety, environmental friendliness, and recyclability requirements for packaging vary from country to country and are becoming increasingly stringent. Companies in the industry must comply with these regulations and invest in the development of sustainable and environmentally friendly solutions to meet the increasing demands.

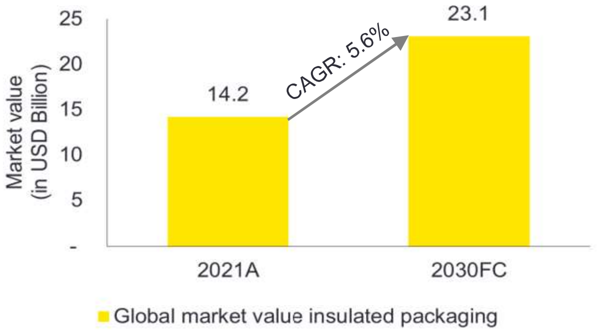
To address these challenges and maintain growth, it is important for companies in the insulated packaging industry to continuously explore innovative technologies and materials, ensuring the continuous development and improvement of competitive, efficient, and cost-effective packaging solutions. Additionally, close collaboration with stakeholders, including pharmaceutical companies, food manufacturers, and logistics providers, is crucial to meeting the demand for high-quality insulated packaging and addressing the specific requirements of different industries.

From a geographical perspective, the Asia-Pacific region is expected to play a dominant role in the insulated packaging market. Countries such as India, Japan, and China have been driving the growth of the insulated packaging market in recent years. These countries are experiencing increasing demand for insulated packaging solutions in the pharmaceutical, food, and beverage industries. The rapid rise of online commerce and the increasing importance of e-commerce platforms have contributed to these regions increasingly relying on insulated packaging to ensure the safety and quality of pharmaceutical products and perishable foods during transport.

North America will also see significant growth in the field of insulated packaging. In particular, the medical-pharmaceutical sector is seeing a continuous increase in demand for high-quality insulated packaging. The strict regulations and quality standards in the industry require the use of reliable temperature-controlled packaging to ensure the efficacy and safety of medical products.

Market and competitor analysis

Global market value insulated packaging 2021A to 2030FC



Source: Zion Global - Insulated packaging market (Jan23)

In Europe, further growth in the field of insulated packaging is also expected. In particular, the increasing online trade in pharmaceutical products and perishable foods is driving demand for insulated packaging.

It is important to note that the market for insulated packaging is also gaining importance in other regions such as Latin America, the Middle East and Africa. The growth in these regions is influenced by various factors, including the expansion of the pharmaceutical and food industries, as well as the increasing acceptance of online trading platforms. To meet the growing demand in different regions, global manufacturers of insulated packaging are striving to expand their presence and enter into strategic partnerships with local companies. This enables them to offer customized solutions that meet the specific requirements and regulations of each region.

Based on a study conducted by Zion Market Research, the global market for insulated packaging is highly competitive and characterized by a variety of companies. Among the leading players in this market are well-known companies such as Sonoco, Exeltainer, American Aerogel, Innovative Energy, TP Solutions, Providence Packaging, TemperPack, Laminar Medica, WoolCool, JB Packaging, Cold Ice, Ecovative, Marko Foam Products, Davis Core and IPC Pack (*). Competition in the industry is determined not only by established companies, but also by emerging players who bring innovative solutions to the market. These new companies often use new technologies and materials to further improve the efficiency, sustainability and performance of insulated packaging. Given the intense competition, companies in the insulated packaging market aim to strengthen their position through differentiation, product innovation and strong customer orientation. By developing customized solutions and creating value for their customers, they seek to secure market share and further expand their business.

The increasing requirements and regulations in the field of temperature-resistant transport solutions for pharmaceuticals/healthcare as well as food and beverages pose significant market entry barriers for new competitors. Rising quality standards and the need to ensure the integrity and safety of sensitive products during transport require extensive investment in research and development. New market entrants face the challenge of investing in existing production processes, technologies and supply chains in order to offer competitive insulated packaging solutions. This requires significant financial resources and supplies. In addition, established companies play an important role due to their experience, existing customer base and established market position. They have extensive expertise in the manufacture and provision of insulated packaging solutions and have often already established strong relationships with customers in the pharmaceutical, healthcare and food industry.

* Insofar as these companies are listed on the stock exchange, they were taken into account accordingly in the peer group for the derivation of the beta factor.

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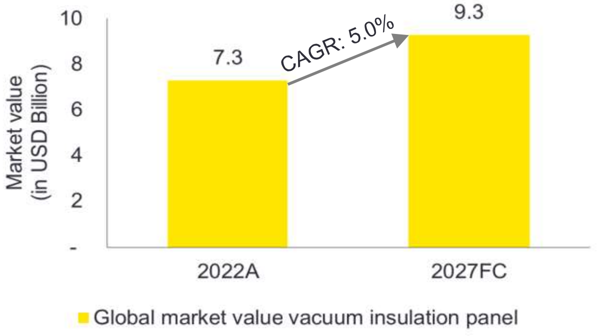
Global market value vacuum insulation panel 2022A to 2027FC



Source: Business Research Company - Vacuum insulation panel market (Jan23)

Vacuum insulation panels („VIPs“)

In the past, the market for vacuum insulation panels (VIPs) has experienced strong growth, which can be attributed to the increased use of VIPs in the construction industry as an alternative to conventional insulation materials to reduce energy consumption in commercial and residential buildings. VIPs offer outstanding thermal insulation and enable more efficient use of energy in buildings. Due to their thin and lightweight properties, they also offer advantages in terms of space savings and design flexibility.

In addition, VIPs are increasingly gaining acceptance in the refrigerated transport market. Due to their exceptional thermal insulation performance, they are increasingly used for the transport of temperature-sensitive goods such as pharmaceutical products, food and chemical substances. VIPs help maintain temperature stability during transport, thus ensuring the quality and safety of the products.

The increasing awareness of environmental issues and the need to reduce energy consumption are expected to play an important role in promoting the use of VIPs. In addition, technological advances and innovations in VIP production will help further improve the efficiency and performance of these products, leading to increased adoption and a wider range of applications. Overall, the market for vacuum insulation panels has already experienced strong growth in the past and is expected to expand further in the future. The increasing demand for energy-efficient buildings and temperature-controlled transportation solutions is a major contributor to the development and adoption of VIPs.

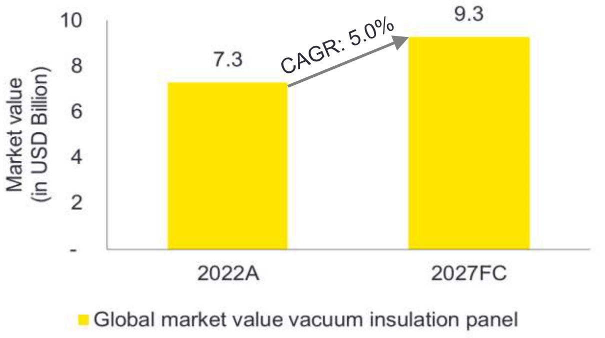
Based on forecasts, it is expected that the global market for vacuum insulation panels (VIPs) will grow from USD 7.3 billion in 2022 to USD 7.7 billion in 2023, representing a growth of 5.5% compared to the previous year. This growth is driven by the increasing demand for energy-efficient buildings and temperature-controlled transport solutions.

In the coming years, the VIP market is expected to continue to grow at a CAGR of 5.0 % from 2022 to 2027. This would result in the market reaching a value of USD 9.3 billion by 2027.

The market for vacuum insulation panels (VIPs) is driven by various growth drivers, including the implementation of strict building regulations and EU directives aimed at improving energy efficiency in buildings. The increasing awareness of environmental issues and the need for energy-efficient solutions has led to an increase in demand for VIPs as an alternative to conventional insulation materials in the construction industry. The implementation of strict building regulations aimed at reducing energy consumption requires the use of efficient insulation materials such as VIPs.

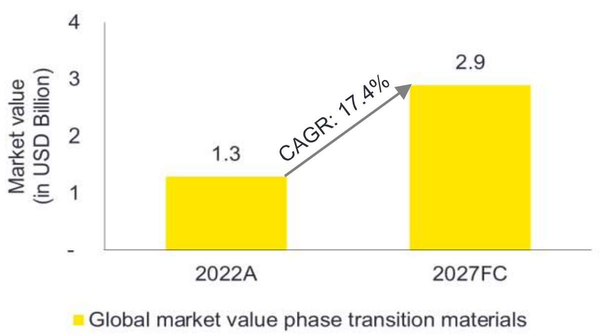
Market and competitor analysis

Global market value vacuum insulation panel 2022A to 2027FC



Source: Business Research Company - Vacuum insulation panel market (Jan23)

Global market value phase change materials 2022A to 2027FC



Source: Business Research Company - Vacuum insulation panel market (Jan23)

In addition, further applications are increasingly opened up in various areas for VIPs. Especially in technical installations such as cooling systems, VIPs offer advantages due to their outstanding thermal insulation and space-saving properties. The use of VIPs in these applications can lead to improved energy efficiency and cost savings.

Potential obstacles to the development of the market for vacuum insulation panels (VIPs) could be the comparatively higher costs compared to conventional insulation materials. Although VIPs require a higher initial investment due to their outstanding capabilities, they can offer long-term energy savings and cost efficiency. However, the higher acquisition costs could deter potential customers and act as a barrier to the market penetration of VIPs. Continuous reduction of production costs and improvements in manufacturing technology could help to overcome this obstacle.

Another potential obstacle could be a lack of efficient logistical support for VIPs as packaging solutions in emerging countries. VIPs require special handling and storage due to their sensitive nature and the need to maintain the vacuum. In some regions, the infrastructure and logistics capacities may not be sufficiently developed to meet these requirements. This could lead to challenges in the dissemination and application of VIPs as packaging solutions. It is important to develop suitable logistics and transport solutions to ensure the smooth use of VIPs and overcome potential bottlenecks.

Despite these potential challenges, the benefits of VIPs in terms of energy efficiency and cold protection will continue to drive demand in the mentioned areas. The increasing awareness of environmental issues, the implementation of strict building regulations and the growing importance of the cold chain will drive the growth of the global VIP market. Through continuous innovation, improvements in production and logistics infrastructure, and targeted marketing and training efforts, potential obstacles can be overcome to fully realize the potential of VIPs.

Phase change materials („PCMs“)

With increasing demand for temperature-resistant logistics solutions, the market for phase change materials (PCMs) has also seen significant growth. In 2022A, the PCM market reached a volume of USD 1.3 billion and is expected to increase to USD 1.6 billion by 2023FC, representing a growth of 23.1% compared to the previous year. Forecasts predict that this market will expand to USD 2.9 billion by 2027FC with a CAGR of 17.4% during the forecast period.

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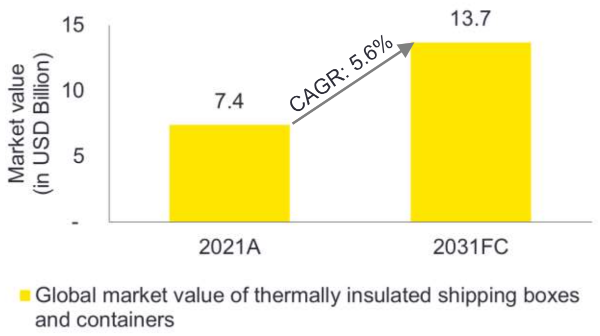
Global market value phase change materials 2022A to 2027FC

Source: Business Research Company - Vacuum insulation panel market (Jan23)

Global market value of thermal insulated shipping boxes and containers market 2021A to 2031FC



Source: Allied Market Research - Insulated shipping packaging (Oct22)

It is expected that Europe will continue to be the largest market for PCMs during the forecast period. This is mainly due to strict regulations regarding the use and handling of temperature-sensitive goods. Europe has established itself as the leading region in terms of the application of PCMs, as compliance with these regulations is crucial to ensure the quality and safety of temperature-sensitive products. This regulatory environment has contributed to the development of a robust and demand-driven PCM industry in Europe.

Insulated shipping boxes and containers

The national and international shipping of temperature-sensitive products, especially food, pharmaceuticals, chemicals, and medicines, has significantly increased. Therefore, thermally insulated shipping boxes and containers have gained increasing importance in various industries.

According to a market research study conducted by Allied Market Research, the global market for insulated shipping packaging was estimated at approximately USD 7.4 billion in 2021A and is expected to grow to USD 13.7 billion by 2031FC. This corresponds to a CAGR of 6.4% during the forecast period from 2021A to 2031FC.

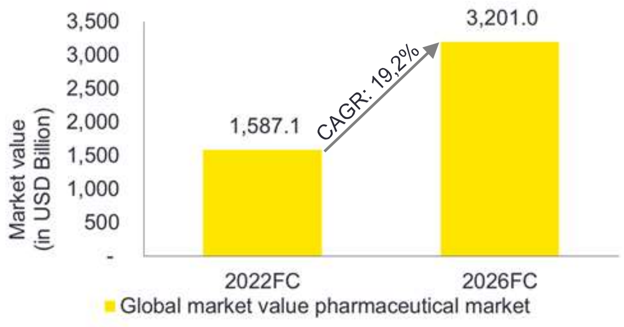
A significant factor driving the increasing demand for insulated boxes and containers compared to paper-based alternatives is their ability to maintain a defined temperature corridor during transportation, thus preventing spoilage and ensuring the quality and freshness of products throughout the entire delivery process.

The market for insulated shipping packaging includes several major companies such as COOL Sarl, CREOPACK, Drew Foam Companies, Inc., Harwal Group, Integreon Global (Cryopak), Marko Foam Products, Sofrigam, Sonoco Products Company, and Topa Thermal (*). In addition, pharmaceutical companies such as Lonza Group AG or Catalent Inc. have also developed their own solutions for thermally regulated packaging and offer them on the market (**).

* Insofar as these companies are listed on the stock exchange, they were taken into account accordingly in the peer group for the derivation of the beta factor.
** For these companies, thermally regulated packaging represents only a niche product, which is why the risk profile does not correspond to that of va-Q-tec. Thus, these companies were not considered in the peer group for deriving the beta factor.

Market and competitor analysis

Global market value pharmaceutical market 2022FC to 2026FC



Source: Business Research Company – Pharmaceutical industry (Jan22)

Analysis of market growth by end-user application

The global market for insulated packaging has been significantly driven in recent years by expansion and demand in the pharmaceutical/healthcare as well as food and beverage sectors. In particular, the increasing e-commerce in these sectors has further supported the growth of the insulated packaging market.

Pharmaceutical/Healthcare

A significant increase in the market for insulated packaging is expected in the pharmaceutical/healthcare sector, which is in line with the projected growth of the global pharmaceutical market. The global pharmaceutical market is expected to grow from USD 1.587 billion in 2022A to USD 3.201 billion by 2026FC, representing a CAGR of 19.2%. In this industry, there is a high demand for insulated packaging solutions such as boxes and containers to protect pharmaceutical products and intermediates and ensure safe transport within a defined temperature range. The pharmaceutical industry is characterized by production and processing of pre- and intermediate products at various locations worldwide. Therefore, efficient and temperature-controlled shipping between these locations is essential. Insulated packaging plays a crucial role in maintaining the required temperature conditions and ensuring product integrity during transport.

In 2022A, around 70 of the top 100 highest-selling medicines worldwide were temperature-sensitive. This high number highlights the importance of a reliable and temperature-controlled supply chain for the pharmaceutical industry. To ensure the quality, efficacy, and safety of these temperature-sensitive drugs during transport, institutions such as the Food and Drug Administration (FDA) or the World Health Organization (WHO) will introduce increasingly stringent regulations for the temperature-controlled supply chain. Compliance with strict regulations and standards for the temperature-controlled transport of pharmaceutical products will lead to an increasing demand for high-quality insulated packaging to ensure the quality, efficacy, and safety of products during transport.

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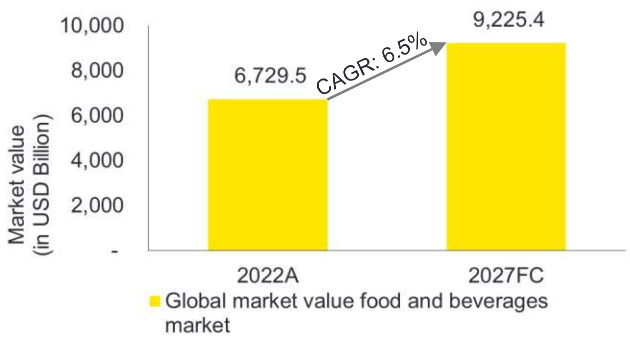
Global market value food and beverages market 2022A to 2027FC



Source: Business Research Company – F&B industry (Jan23)

Food and beverages

The food and beverage market is expected to experience strong growth, increasing from USD 6.730 billion in 2022A to USD 9.225 billion in 2027FC. This growth is driven by the increasing demand for freshly processed and ready-to-eat packaged foods. Consumers are looking for convenient and high-quality food options that ensure longer shelf life and freshness. As a result, the demand for insulated packaging will increase accordingly during this period.

Insulated packaging plays a crucial role in maintaining product quality and freshness during the transport of temperature-sensitive foods. Products such as frozen foods, fish, meat, vegetables, dairy products, and fruits require transport within a specific temperature range to maintain their quality and nutrients. Insulated packaging provides effective insulation and protects food from temperature fluctuations during transport.

Due to intense competition in the food and beverage industry and new delivery models of online platforms, the demand for cost-effective, temperature-controlled, and environmentally friendly packaging has significantly increased and is expected to continue to grow. Companies are looking for efficient solutions that not only ensure product protection during transport but also meet economic and environmental requirements. Therefore, the demand for insulated packaging that enables temperature control and is sustainable and cost-effective has increased significantly and will continue to evolve in the future.

Overall, the demand for cost-effective, temperature-controlled and environmentally friendly packaging solutions in the food and beverage industry is expected to continue to grow.

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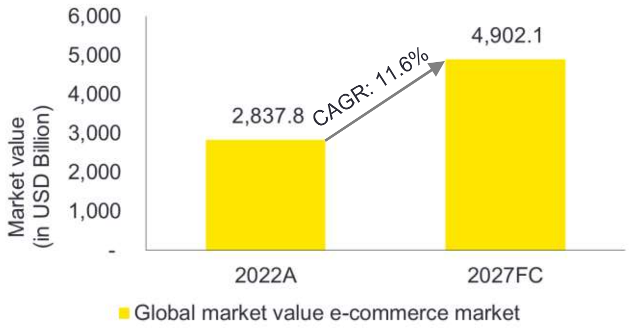
Global market value e-commerce market 2022A to 2027FC



Source: Business Research Company – E-commerce industry (Jan23)

E-Commerce

The global e-commerce market is experiencing strong growth and is expected to continue to expand in the coming years. According to forecasts, the market will increase from a value of USD 2.838 billion in 2022 to USD 4.902 billion in 2027, representing a CAGR of 11.6% (source: Business Research Company, Jan23).

This growth is driven by several factors, including increasing internet usage, improvement of logistics and delivery infrastructure, and rising acceptance and trust of consumers in online commerce. E-commerce allows consumers to shop comfortably from home, have a wide selection of products, and benefit from fast deliveries.

Major players like Amazon already offer single-day delivery services, and many online food platforms enable delivery within a few minutes. As these delivery models increasingly penetrate the market, demand for insulated packaging is also expected to rise.

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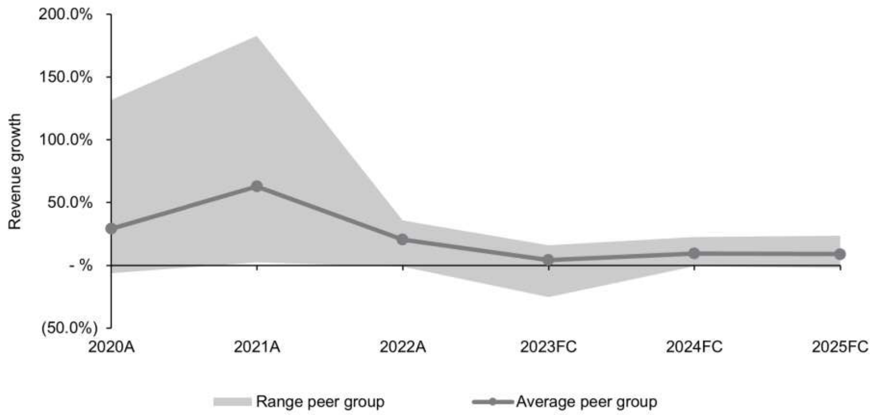
Revenue growth of peer companies in the pharmaceutical and healthcare sector 2020A to 2025FC



Source: CIQ, EY analysis

Competition analysis

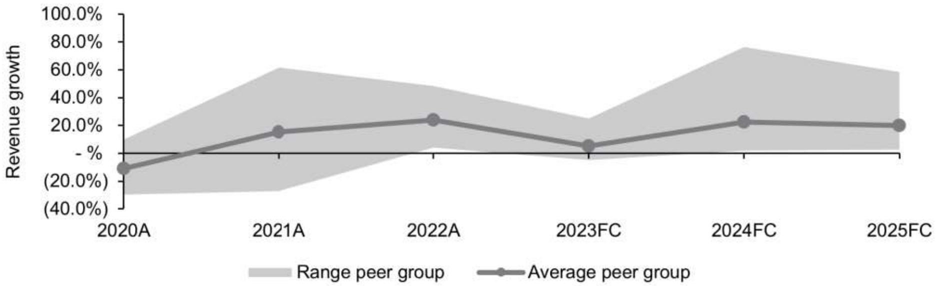
Pharmaceutical and healthcare sector

Due to the Covid-19 pandemic, there was a strong increase in demand and consequently a significant revenue growth in the temperature-controlled transport logistics industry in the pharmaceutical and healthcare sectors. However, the situation has changed in 2022A due to the gradual waning of the pandemic and the increasing availability of vaccines. As a result, demand for certain medical products has declined, leading to a downward sales growth trend for some suppliers compared to previous years. The average revenue growth rate decreased from around 63.0% in 2021A to an average of about 20.0% in 2022.

According to analyst estimates, the peer group of comparable companies (Appendix B) in the pharmaceutical and healthcare industry is expected to have a CAGRs of around 9.0% until 2025FC. These forecasts are based on the assessment that demand for pharmaceutical products and healthcare services will remain high in the coming years. The reduced revenue growth rates compared to the crisis period, such as the Covid-19 pandemic, indicate that the industry is gradually stabilizing and that the exceptional growth rates of the crisis period cannot be sustained.

Market and competitor analysis

Revenue growth of peer companies in the industrial and construction sector 2020A to 2025FC



Source: CIQ, EY analysis

Industrial and construction sector

The fluctuations in revenue in the field of insulation solutions for industrial applications and construction are due to various factors. In 2020, the comparatively lower average revenue growth of around -11.0% is due to the effects of the Covid-19 pandemic and the associated economic uncertainties. Restrictions and delays in the industry as well as reduced investments have led to a decreased demand for insulation solutions.

The higher growth rates in 2021 and 2022, averaging around 15.3% and 23.8%, respectively, are due to a recovery in the construction industry and increased demand for insulation solutions. With the gradual normalization of economic conditions and the revival of construction projects, companies have been able to invest more in insulation to meet energy efficiency standards and improve environmental protection.

The estimates of analysts for the comparable companies (Appendix B) for the years 2023FC to 2025FC suggest that after a weak year in 2023FC, the trend from previous years will continue. The expected average revenue growth rates for 2024FC and 2025FC are around 20%.

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Management expectations regarding market and competition

As the vaccination campaigns progressed and the Covid-19 pandemic gradually subsided, the demand for temperature-regulated transport of vaccines decreased in the 2022A financial year. This has led to a significant decline in business in this specific area at va-Q-tec. However, va-Q-tec's management continues to recognise growth potential in the areas of temperature-regulated logistics solutions and vacuum insulation.

These potentials are supported not only by the general growth expectations of the market, but also by specific trends and developments in the industry. The increasing internationalization of customers in the pharmaceutical/healthcare sector offers new opportunities for temperature-dependent logistics solutions. With the growing global trade in pharmaceutical products, the need for reliable and efficient temperature-controlled transport is also increasing. Especially in the field of biopharmaceuticals, which is experiencing strong growth, specialized logistics solutions are needed to ensure product integrity and efficacy. In addition, regulatory requirements of governmental authorities worldwide are increasing. This opens up additional growth opportunities for va-Q-tec, which can offer high-quality and certified solutions to ensure compliance with these regulations.

The management of va-Q-tec also recognizes unused potential in existing customers and plans to tap into it by using its broad portfolio of insulated packaging solutions with different temperature ranges. Through a combination of customer orientation, customized solutions, and strong partnerships with customers, the company aims to strengthen its position in the market and optimize growth potential.

The management of va-Q-tec also sees potential for further growth in the "Products" business segment and the technical energy efficiency (TEnEff) solutions covered here. Application opportunities are seen, among other things, in connection with emerging technical application fields such as electromobility. With the increasing focus on sustainability and environmentally friendly technologies, electromobility is gaining importance worldwide. Electric vehicles require special insulation solutions to ensure temperature control of batteries and other sensitive components. This is where va-Q-tec's products come into play, which can enable efficient temperature control through their insulating properties.

Overall, va-Q-tec's management expects that new applications and products in the "Products" business segment to contribute to further growth. By developing targeted products for these areas, the company can expand its product portfolio and position itself as a leading provider of insulation solutions.

Market and competitor analysis

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SWOT analysis of the va-Q-tec Group

Internal	*External*
1 Strengths	2 Opportunities
3 Weaknesses	4 Threats

Explanation of the SWOT analysis

1 Strenghts

Through focusing on research and development, the va-Q-tec Group holds a technological leadership position in the field of vacuum insulation and passive high-performance TempChain packaging solutions. In combination with a global network of sales locations, this results in a competitive market position.

The controlling stake of the private equity investor EQT will ensure increased financial stability through a high degree of equity financing and a resulting reduced dependence on institutional loan provider. Furthermore, the investment in va-Q-tec by the investor EQT will enable necessary capital expenditures that will only pay off in the medium to long term and would therefore be difficult to realize with a capital market orientation.

2 Weaknesses

A large part of the Group's revenue is generated by a limited number of major pharmaceutical companies, making the revenue distribution appear concentrated. Additionally, va-Q-tec's products and services have a relatively high price level in a market that is quite price-sensitive due to their innovative technology.

3 Opportunities

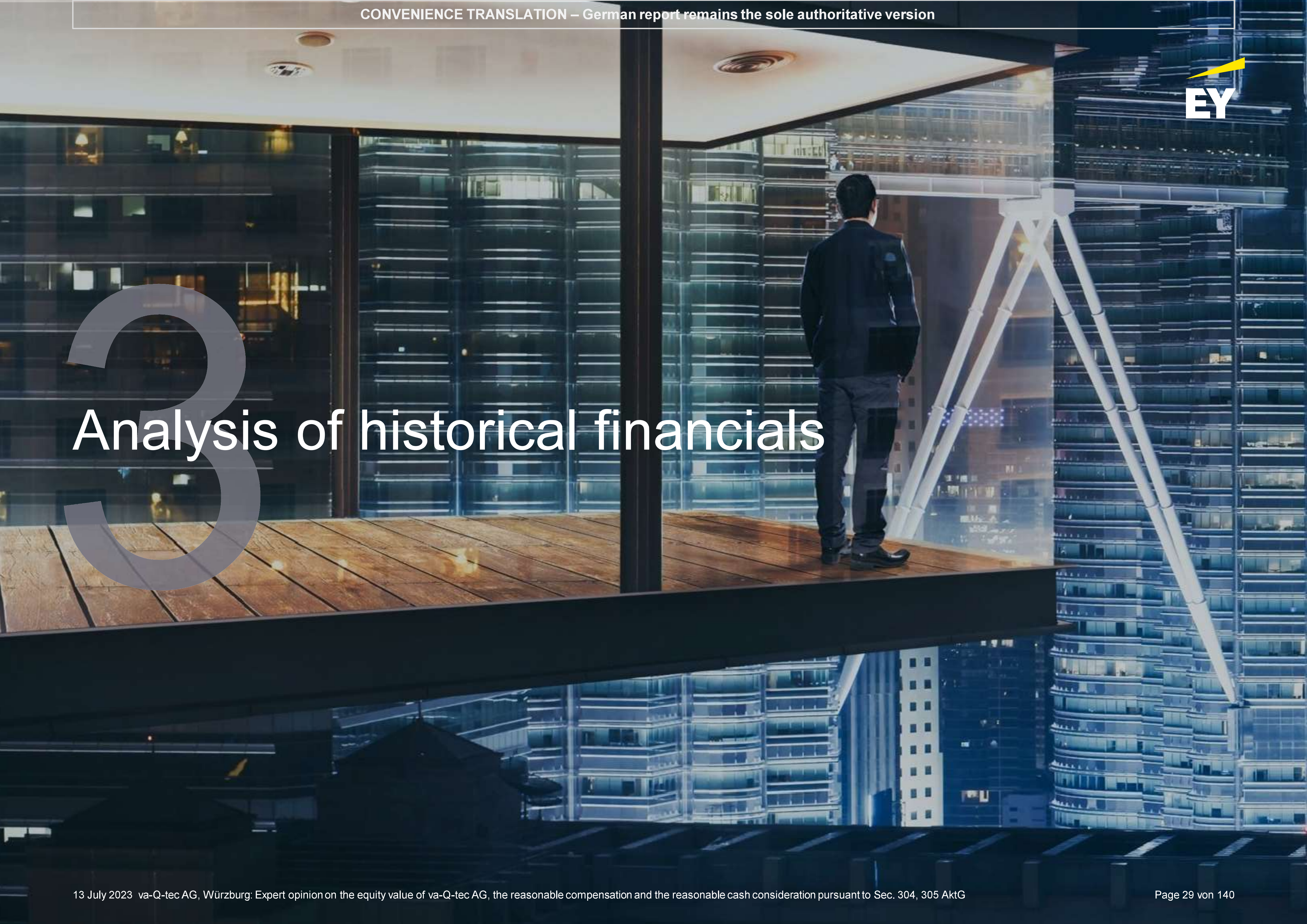
The expansion into new sales markets initiated by va-Q-tec offers growth opportunities for the sales market. Recently, subsidiaries were opened in Brazil, China, India, and France, through which commercial activities in the respective countries and regions are to be strengthened. The background of the expansion is (i) the aim of a greater local presence, (ii) the growth of the pharmaceutical industry in local markets worldwide, especially in India, and (iii) achieving logistical efficiencies, among other things, through a hub for rental logistics in China.

It is also expected that va-Q-tec will benefit from market growth in existing markets due to increasing demand for efficient thermal insulation solutions. Supportively, political actors are aiming for stricter regulations on thermal efficiency.

4 Threats

The market for thermal insulation is characterized by intense competition. On the one hand, companies with production in the Far East offer lower quality but cheaper products, and on the other hand, actively cooled transport solutions are offered.

The growth of the biotech market poses a risk that particularly large pharmaceutical companies will build their own shipping fleets as part of vertical integration to save costs with an increasing number of necessary refrigerated transports.



3 Analysis of historical financials

Analysis of historical financials

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Analysis of historical financials

Estimating future earnings is inherently uncertain with respect to underlying future expectations. Therefore, for a proper assessment and preparation of forecasts, both risks and opportunities should be considered equally. In this context, actual results achieved in the past can provide an initial orientation.

The following analysis will examine the causes of past success based on historical Group financial statements and the group income statements of va-Q-tec. We use the Group financial statements for FY20A to FY22A according to IFRS.

The financial data of the Group income statements for FY20A were taken from the annual report for FY20A. The financial data of the Group balance sheets as of 31 December 2020, 31 December 2021, and 31 December 2022, were based on the annual report for FY22A. The Group income statements for FY21A and FY22A were taken from the annual report for FY22A.

In FY22A, an error correction was made according to IAS 8. The errors were corrected retrospectively, and the prior year figures of the financial statements for FY22A were adjusted accordingly. This affected the prior year figures of the Group income statement for FY21A and the Group balance sheets as of 31 December 2021, and 31 December 2020.

Furthermore, it should be noted that our presentation of the Group income statements differs from that in the annual reports. The reason for this is that in our chosen presentation, other operating income is allocated at the level of other operating expenses, whereas the company has chosen a presentation in which all income items and all expense items are shown together. As a consequence, the intermediate line items shown in the annual reports and in the present report are not identical. This is evident at the level of the items total income (“Gesamterträge”) and gross profit (“Rohergebnis”) according to the annual reports, into which the other operating income is included in each case. To reflect our distinctive presentation, we refer to total output (“Gesamtleistung”) and gross profit (“Bruttoergebnis”).

The analyses of the completed financial years and adjustments ultimately serve the purpose of better assessing the basis for planning calculations. However, the adjustments made in the context of the past performance analysis do not have a direct impact on the determination of the company's value, as the value determination is based on the planned results of future financial years.

Thus, the past performance adjustment serves primarily for plausibility purposes.

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Group balance sheet – focus on assets

Currency: EURm		Dec20A	Dec21A	Dec22A
Intangible assets	1	3.0	4.3	6.0
Tangible assets	2	69.6	82.6	80.6
Real estate as financial investments	3	1.6	1.0	1.0
Contractual assets		0.1	0.0	0.0
Financial assets/Equity investments	4	3.5	5.0	7.8
Other non-current assets	5	1.1	1.3	1.3
Deferred tax		2.7	2.4	0.9
Non-current assets		**81.5**	**96.6**	**97.7**
Inventories	6	11.6	18.5	18.8
Trade receivables	6	6.5	12.4	7.7
Other current financial assets	4	0.9	2.4	6.7
Tax assets		0.0	0.0	-
Other current assets	5	1.5	5.2	2.1
Cash and cash equivalents		17.1	9.8	9.4
Non-current assets held for sale	3	-	0.6	-
Current assets		**37.8**	**48.9**	**44.8**
Total assets		**119.3**	**145.5**	**142.5**
Equity		**40.3**	**50.0**	**38.7**
Liabilities		**78.9**	**95.5**	**103.8**
Equity and liabilities		**119.3**	**145.5**	**142.5**
Key performance indicators:				
Equity ratio		*33.8%*	*34.4%*	*27.2%*

Source: va-Q-tec annual report 2022

Analysis of assets

The table on the left shows the audited Group balance sheet as of 31 December according to IFRS of va-Q-tec Group for the fiscal years ending Dec20A to Dec22A.

1 Intangible assets include software and acquired as well as self-developed intangible assets.

2 During the observation period, tangible assets increased mainly due to capital expenditures in expanding the container and thermal box fleet for global rental business and investing in expanding production capacities at the two German production sites.

3 The position “real estate as financial investment" includes a property acquired in FY16A that was originally intended for the purpose of building a production and administrative site. This plan was abandoned due to the acquisition of an alternative property. A portion of the property was sold in Feb22A. Therefore, this part was reclassified to the balance sheet item "assets held for sale" as of Dec21A.

4 Other financial assets increased mainly due to adjustments to the values of the equity investments in Sumteq GmbH and ING3D GmbH in the course of financing rounds, through accounted derivatives such as cross-currency swaps ("CCS") to hedge currency risks resulting from the bond issued in Swiss francs, and through accounted security retentions within factoring agreements.

5 Non-financial assets decreased in FY22A mainly due to a decrease in value-added tax receivables from tax authorities. In addition, advances on long-term assets and active accruals are reported under this position.

6 The increase in inventories in FY21A resulted from pandemic-related increased safety inventories, which were reduced again in FY22A. The increase in trade receivables at the end of FY21A is related to the peak of vaccine deliveries.

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Group balance sheet – focus on equity and liabilities

Currency: EURm		Dec20A	Dec21A	Dec22A
Total assets		**119.3**	**145.5**	**142.5**
Issued share capital	1	13.1	13.4	13.4
Own shares	1	(0.1)	(0.1)	(0.1)
Capital reserves	2	46.2	54.0	54.0
Group total other comprehensive income	3	(0.0)	-	0.4
Retained earnings (+) / Loss carryforward (-)	4	(18.8)	(17.4)	(29.1)
Equity		**40.3**	**50.0**	**38.7**
Provisions	5	0.1	0.2	0.2
Bonds issued	6	22.1	23.4	-
Bank borrowings	7	25.2	23.5	25.3
Other financial liabilities	8	3.9	4.7	5.3
Other non-financial liabilities	10	6.4	6.8	4.8
Total non-current liabilities		**57.6**	**58.5**	**35.6**
Provisions	5	0.2	0.2	3.2
Bonds issued	6	-	-	24.8
Bank borrowings	7	3.9	13.7	12.2
Other financial liabilities	8	6.4	8.3	11.7
Liabilities from contracts with customers		0.0	0.2	0.1
Trade payables	9	6.0	8.6	7.1
Tax liabilities		0.0	0.1	1.0
Other non-financial liabilities	10	4.7	5.9	8.1
Total current liabilities		**21.3**	**37.0**	**68.2**
Liabilities		**78.9**	**95.5**	**103.8**
Equity and liabilities		**119.3**	**145.5**	**142.5**
Key performance indicators:				
Equity ratio		*33.8%*	*34.4%*	*27.2%*

Source: va-Q-tec annual report 2022

Analysis of equity and liabilities

1 The share capital was increased in FY21A by EUR 325.5k through the issuance of 325,498 registered shares and amounts to EUR 13.415m as of Dec22A. Own shares relate to 13,566 shares of va-Q-tec, which were acquired in FY16A and are reported at their respective acquisition costs in a separate item within equity.

2 The capital reserves mainly contains additional paid-in capital and contributions in kind from shareholders due to capital increases.

3 The Group total other comprehensive income relates to currency translations resulting from the consolidation of the financial statements of foreign subsidiaries.

4 The loss carryforward includes accumulated profit carryforwards, profit carryforwards from initial IFRS application, and the Group earnings for the period.

5 The provisions are divided into provisions for warranties, archiving, legal costs, and other provisions. The other provisions include consulting fees related to the takeover bid by EQT, as well as potential losses from non-profitable product sales and outstanding services from suppliers.

6 Bonds issued relate to the bond valued at amortized cost, issued in Nov20A with a nominal volume of CHF 25m, a coupon of 3.75%, and a term of five years. Currency risks were hedged using derivative hedging transactions such as the aforementioned CCS. Due to falling below the covenant of an agreed minimum equity ratio of 30%, it is reported as a short-term liability as of Dec22A, despite a waived repayment obligation.

7 Bank borrowings relate to long-term loans for financing fixed assets and short-term revolving credit facilities. Liabilities to credit institutions increased in FY22A in connection with capital spending in fixed assets and inventory in FY21A and FY22A and the negative Group earnings in FY22A.

Analysis of historical financials

Group balance sheet – focus on equity and liabilities

Currency: EURm		Dec20A	Dec21A	Dec22A
Total assets		**119.3**	**145.5**	**142.5**
Issued share capital	1	13.1	13.4	13.4
Own shares	1	(0.1)	(0.1)	(0.1)
Capital reserves	2	46.2	54.0	54.0
Group total other comprehensive income	3	(0.0)	-	0.4
Retained earnings (+) / Loss carryforward (-)	4	(18.8)	(17.4)	(29.1)
Equity		**40.3**	**50.0**	**38.7**
Provisions	5	0.1	0.2	0.2
Bonds issued	6	22.1	23.4	-
Bank borrowings	7	25.2	23.5	25.3
Other financial liabilities	8	3.9	4.7	5.3
Other non-financial liabilities	10	6.4	6.8	4.8
Total non-current liabilities		**57.6**	**58.5**	**35.6**
Provisions	5	0.2	0.2	3.2
Bonds issued	6	-	-	24.8
Bank borrowings	7	3.9	13.7	12.2
Other financial liabilities	8	6.4	8.3	11.7
Liabilities from contracts with customers		0.0	0.2	0.1
Trade payables	9	6.0	8.6	7.1
Tax liabilities		0.0	0.1	1.0
Other non-financial liabilities	10	4.7	5.9	8.1
Total current liabilities		**21.3**	**37.0**	**68.2**
Liabilities		**78.9**	**95.5**	**103.8**
Equity and liabilities		**119.3**	**145.5**	**142.5**
Key performance indicators:				
Equity ratio		*33.8%*	*34.4%*	*27.2%*

Source: va-Q-tec annual report 2022

8 The increase in other financial liabilities end of FY22A mainly relates to accrued debt for outstanding invoices, among others, invoices in connection with the takeover bid by EQT. Furthermore, the position includes leasing liabilities resulting from the sale-and-finance-leaseback financing of the container fleet of the English subsidiary in FY19A and the leasing financing of German production facilities, office and storage spaces, and vehicles.

9 Trade payables follow the course of business activity over time.

10 Other non-financial liabilities mainly include public investment grants, which do not have to be repaid if the funding conditions are met. Additionally, the position includes value-added tax liabilities as well as bonus and advance payment liabilities towards customers. As of Dec22A, a small special item is also recorded for accrued container profits, which results from the recognition of sale-and-finance-leaseback transactions before the application of IFRS 16.

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Group income statement FY20A to FY22A

Currency: EURm		FY20A	FY21A	FY22A
Revenue	1	72.1	104.1	111.8
Change in inventories	2	1.0	2.8	(0.4)
Own work capitalized	3	6.4	11.3	5.7
Total output		**79.5**	**118.2**	**117.1**
Cost of materials and services	4	(32.8)	(50.5)	(46.7)
Gross profit		**46.7**	**67.8**	**70.4**
Personnel expenses	5	(26.1)	(33.2)	(37.6)
Other operating income	6	4.7	4.3	5.7
Other operating expenses	7	(13.9)	(21.1)	(30.8)
EBITDA	8	**11.4**	**17.8**	**7.7**
Depreciation	9	(12.3)	(13.7)	(15.0)
EBIT	10	**(0.9)**	**4.1**	**(7.3)**
Result from fair value valuation of investments	11	0.6	-	0.5
Net financial result	12	(1.3)	(2.2)	(2.6)
EBT		**(1.5)**	**1.9**	**(9.3)**
Income tax	13	0.1	(0.5)	(2.3)
Group net income		**(1.4)**	**1.4**	**(11.7)**
Key performance indicators:				
Revenue growth		*11.5%*	*44.3%*	*7.5%*
Gross profit margin (as % of revenue)		*64.8%*	*65.1%*	*63.0%*
EBITDA margin (as % of revenue)		*15.8%*	*17.1%*	*6.9%*
EBIT margin (as % of revenue)		*1.2%*	*4.0%*	*6.5%*

Source: va-Q-tec annual reports 2020, 2022

Analysis of the Group income statement

The table on the left shows the audited income statements according to IFRS for the va-Q-tec Group for FY20A to FY22A.

1 Revenues have increased significantly during the period shown. This increase is primarily due to the following factors:

- The business with Covid-19-vaccine-related transport solutions during the pandemic, particularly in FY21A and the increased availability of coronavirus vaccines in Germany and large vaccination campaigns worldwide, has led to a massively increased demand for temperature-controlled transport solutions;
- International expansion was further advanced, including the start of operations by three additional new subsidiaries in China, India, and Brazil in FY22A, in order to exploit the potential of the “TempChain” business segment worldwide; and
- Participation in the dynamic growth of target markets, which are addressed through the "Products" business area with the aspect of optimal thermal energy efficiency ("Thermal Energy Efficiency", "TEnEff").

In FY22A, the increase in revenue slowed down as the Covid-19 pandemic weakened and the demand for vaccine logistics solutions decreased.

The following pages show the corresponding revenue streams of the business and reporting segments.

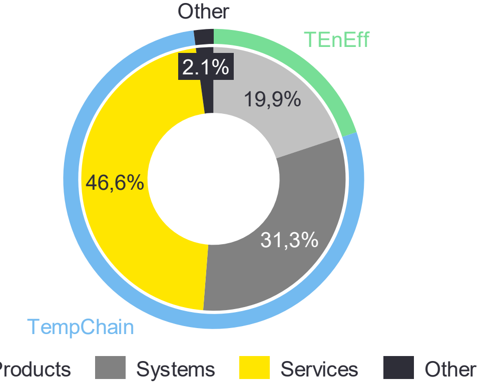
Analysis of historical financials

Revenues per business segment

Currency: EURm	FY20A	FY21A	FY22A
Products	18.3	22.0	22.3
TEnEff	**18.3**	**22.0**	**22.3**
Systems	19.5	36.4	35.0
Services	32.7	44.1	52.1
TempChain	**52.2**	**80.5**	**87.1**
Other	**1.6**	**1.6**	**2.4**
Group (cons.)	**72.1**	**104.1**	**111.8**
Revenue growth:			
TEnEff	*(0.7)%*	*20.4%*	*1.2%*
TempChain	*16.3%*	*54.2%*	*8.3%*
Group	*11.5%*	*44.3%*	*7.5%*

Source: va-Q-tec annual reports 2020, 2021, 2022

Breakdown of Group revenues per business segment in FY22A



Analysis of revenues per business segment

TEnEff

The “TEnEff” business segment, which is situated in the German parent company, includes the business of developing and distributing products, mainly Vacuum Insulation Panels ("VIPs"), for various application areas within the industries of technology and industry, construction, mobility, refrigeration appliances, and food.

Over the considered historical period, revenues grew from EUR 18.3m in FY20A to EUR 22.3m in FY22A, representing a CAGR of 10.4%. On average, “TEnEff” revenues accounted for 22.2% of the Group’s total revenues.

FY21A was characterized by a special economic situation in individual target markets, which contributed significantly to the revenue growth of 20.4% compared to the previous year. The main reasons for this were the strong demand for energy-efficient cooling and freezing appliances, as well as the market launch of new products, such as vacuum-insulated piping. However, it already became apparent in the second half of FY21A that the growth momentum was decreasing.

In FY22A, revenue increased by 1.2% compared to the previous year. The decline in revenue in the cooling and freezing appliance sector was compensated by positive business development within the technology and industry sector, among other things, through the sale of the va-Q-shell pipe introduced in FY21A, an insulation solution for pipes. The construction industry also continued to recover from its Covid-19 related restrictions.

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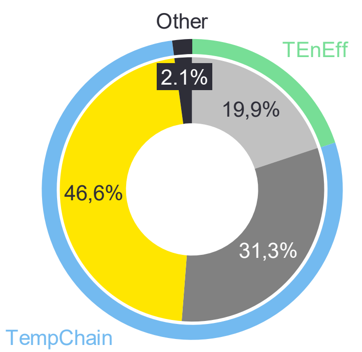
Analysis of historical financials

Revenues per business segment

Currency: EURm	FY20A	FY21A	FY22A
Products	18.3	22.0	22.3
TEnEff	**18.3**	**22.0**	**22.3**
Systems	19.5	36.4	35.0
Services	32.7	44.1	52.1
TempChain	**52.2**	**80.5**	**87.1**
Other	**1.6**	**1.6**	**2.4**
Group (cons.)	**72.1**	**104.1**	**111.8**
Revenue growth:			
TEnEff	*(0.7)%*	*20.4%*	*1.2%*
TempChain	*16.3%*	*54.2%*	*8.3%*
Group	*11.5%*	*44.3%*	*7.5%*

Source: va-Q-tec annual reports 2020, 2021, 2022

Breakdown of Group revenues per business segment in FY22A



TempChain

During the past period from FY20A until FY22A, the revenue of the segment "TempChain" increased with a CAGR of 29.2% from EUR 52.2m to EUR 87.1m. The segment "TempChain" is the highest revenue-generating business segment with an average revenue share of the Group's total revenue during the observation period of approximately 77.8%.

The "TempChain" segment is divided into “Systems” and “Services”.

The business segment “Systems” includes the sale of thermal packaging such as thermo-efficient boxes and the va-Q-pal container. The products in this category are mainly distributed to companies in the healthcare and logistics sectors worldwide. While revenues in FY21A were still able to increase by 86.4% compared to the previous year, revenues in FY22A declined. The strong revenue growth in FY21A is primarily due to the significant expansion of demand during the Covid-19 pandemic. To meet the drastic increase in demand (also within the business segment “Services”), the new container variant va-Q-pal was introduced and offered to customers for purchase. With the gradual decline of the Covid-19 pandemic, revenue growth also flattens due to lower demand for vaccine transportation purposes, resulting in a 3.7% decrease in revenues in FY22A compared to the previous year.

The business segment “Services” includes the rental business of containers and boxes for the transport of temperature-sensitive goods. In the past period between FY20A and FY22A, the corresponding revenue grew with a CAGR of 26.3%. While FY21A was particularly characterized by strong participation in vaccine distribution, further growth in FY22A is driven by a general increase in demand for cold chain logistics and the advantages of the offered passive cooling containers and boxes over conventional active cooling solutions in the field of air freight thermo containers. In addition, the number of rentals for small thermo boxes for "last-mile" transports in connection with clinical trials in FY22A has increased again after the reduced number of clinical trials during the Covid-19 pandemic.

Other

The business segment “Other” includes revenues from consulting services for thermal insulation (e.g., to achieve higher energy efficiency classes) as well as from government-funded research projects. Within the past period, the segment revenue corresponds to an average of 2.0% of the Group's total revenues.

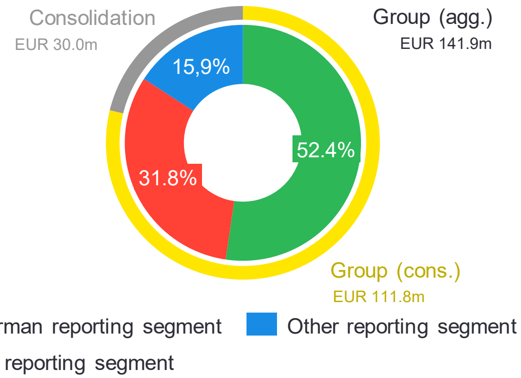
Analysis of historical financials

Revenues per reporting segment

Currency: EURm	FY20A	FY21A	FY22A
German reporting segment	49.4	75.3	74.3
UK reporting segment	30.0	37.6	45.1
Other reporting segment	9.8	21.0	22.5
Group (agg.)	**89.2**	**133.8**	**141.9**
Consolidation	(17.1)	(29.8)	(30.0)
Group (cons.)	**72.1**	**104.1**	**111.8**
Revenue growth:			
German reporting segment	*12.1%*	*52.5%*	*(1.3)%*
UK reporting segment	*14.4%*	*25.2%*	*20.0%*
Other reporting segment	*50.0%*	*114.7%*	*7.2%*
Group (cons.)	*11.5%*	*44.3%*	*7.5%*

Source: va-Q-tec annual reports 2020, 2021, 2022

Breakdown of Group revenue per reporting segment in FY22A



Analysis of revenues per reporting segment

German reporting segment (va-Q-tec)

During the past period from FY20A to FY22A, the unconsolidated revenue of the German reporting segment, which represents va-Q-tec, accounts for an average of 54.7% of the aggregated Group revenue. The corresponding revenue includes not only external customer revenues but also sales from self-produced containers to the subsidiary in the UK for the rental business and the sale of thermal packaging (systems) to international subsidiaries.

While in FY21A, sales growth was mainly driven by increased sales of self-produced containers to va-Q-tec UK Ltd. and the sale of thermal packaging during the Covid-19 pandemic, the decline in the corresponding areas in FY22A could only be partially compensated by regular business.

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

The UK reporting segment essentially comprises the rental of temperature-controlled containers for the global pharmaceutical industry. In FY21A, the UK subsidiary benefited from vaccine deliveries, but at the same time, there was also a sporadic shift in demand from the rental container business to the disposable solution va-Q-pal SI from the business segment “Systems”, which particularly allowed avoiding the "relocation" costs of the rental systems, due to reduced and more expensive air freight capacities in FY21A. The revenue growth in FY22A is characterized by the dynamic start of new projects that were originally supposed to begin in FY21A, as well as a compensation payment from a large customer who had committed to renting containers for their planned Corona vaccine logistics but did not use them to the planned extent.

Other reporting segment

The global subsidiaries of va-Q-tec, summarized in the other reporting segment, were able to steadily increase their contribution to the aggregated Group revenue from 19.8% in FY20A to 30.2% in FY22A. The subsidiaries are important for local presence, the expansion of regional business activities, and the perception of va-Q-tec as a reliable global and regional partner.

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Group income statement FY20A to FY22A

Currency: EURm		FY20A	FY21A	FY22A
Revenue	1	72.1	104.1	111.8
Change in inventories	2	1.0	2.8	(0.4)
Own work capitalized	3	6.4	11.3	5.7
Total output		**79.5**	**118.2**	**117.1**
Cost of materials and services	4	(32.8)	(50.5)	(46.7)
Gross profit		**46.7**	**67.8**	**70.4**
Personnel expenses	5	(26.1)	(33.2)	(37.6)
Other operating income	6	4.7	4.3	5.7
Other operating expenses	7	(13.9)	(21.1)	(30.8)
EBITDA	8	**11.4**	**17.8**	**7.7**
Depreciation	9	(12.3)	(13.7)	(15.0)
EBIT	10	**(0.9)**	**4.1**	**(7.3)**
Result from fair value valuation of investments	11	0.6	-	0.5
Net financial result	12	(1.3)	(2.2)	(2.6)
EBT		**(1.5)**	**1.9**	**(9.3)**
Income tax	13	0.1	(0.5)	(2.3)
Group net income		**(1.4)**	**1.4**	**(11.7)**
Key performance indicators:				
Revenue growth		*11.5%*	*44.3%*	*7.5%*
Gross profit margin (as % of revenue)		*64.8%*	*65.1%*	*63.0%*
EBITDA margin (as % of revenue)		*15.8%*	*17.1%*	*6.9%*
EBIT margin (as % of revenue)		*(1.2)%*	*4.0%*	*(6.5)%*

Source: va-Q-tec annual reports 2020, 2022

Analysis of the Group income statement

2 Due to the increased freight and logistics challenges associated with Covid-19 vaccine transports, inventories of unfinished and finished products were significantly increased as safety stocks across the entire Group. With the normalization of supply chains, the reduction of these safety stocks began in FY22A.

3 Due to the very strong expansion of the container and box rental business in FY21A, which was mainly due to the Covid-19 vaccine business, the volume of capital expenditures in this area was significantly reduced in FY22A.

4 The increase in cost of materials and services is partly due to an increased sales volume in FY21A, but in FY22A also to macroeconomic distortions such as cost inflation for materials and wages and increased energy costs. The decline in absolute expenses in FY22A reflects the reduction of the safety stock of inventories and the decline in capital expenditures in the container and box fleet.

5 Accompanying the company's growth, the number of employees and thus personnel expenses increased during the observation period. The increase in the number of employees in FY22A is also in anticipation of further planned growth in subsequent years. In FY22A, personnel expenses also increased due to the higher wage level.

6 Other operating income primarily results from foreign currency gains, the release of the special item from sale-and-finance-leaseback transactions, income from the release of the special item from public grants, and income from the rental of parts of buildings and land in Würzburg. Revenues from subleasing/leasing relationships are expected in the following years until 2026 with an annual amount of EUR 441k.

Analysis of historical financials

Group income statement FY20A to FY22A

Currency: EURm		FY20A	FY21A	FY22A
Revenue	1	72.1	104.1	111.8
Change in inventories	2	1.0	2.8	(0.4)
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EBITDA margin (as % of revenue)		*15.8%*	*17.1%*	*6.9%*
EBIT margin (as % of revenue)		*(1.2)%*	*4.0%*	*(6.5)%*

Source: va-Q-tec annual reports 2020, 2022

7 Other operating expenses increased in FY21A due to a significant price increase in transportation costs. In addition, consulting costs for efficiency improvements are included here. In FY22A, the increase continued: in addition to general inflation, this was mainly due to a sharp rise in energy costs as a result of the Ukraine war, the continuing high costs for air and sea freight, and costs associated with the public takeover bid by EQT and the capital increase. In addition, marketing and sales activities intensified again compared with previous years.

8 Earnings before interest, taxes, depreciation and amortization (EBITDA) increased in FY21A. In FY22A, the non-recurring other operating expenses incurred in connection with the structural measures in particular overshadowed the income from increased business activities. In addition, the inflation-related cost increases could not entirely be passed on to customers.

9 Depreciation has grown steadily due to growth-enabling capital expenditures in fixed assets. This development is in line with the development of fixed assets.

10 In addition to increased expenses in connection with special effects as well as inflation-related cost increases, EBIT in FY22A is burdened in particular by depreciation of growth investments, which did not materialize as expected in FY22A.

Analysis of historical financials

Group income statement FY20A to FY22A

Currency: EURm		FY20A	FY21A	FY22A
Revenue	1	72.1	104.1	111.8
Change in inventories	2	1.0	2.8	(0.4)
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Key performance indicators:				
Revenue growth		*11.5%*	*44.3%*	*7.5%*
Gross profit margin (as % of revenue)		*64.8%*	*65.1%*	*63.0%*
EBITDA margin (as % of revenue)		*15.8%*	*17.1%*	*6.9%*
EBIT margin (as % of revenue)		*(1.2)%*	*4.0%*	*(6.5)%*

Source: va-Q-tec annual reports 2020, 2022

11 The result from fair value valuation concerns the investments in Sumteq GmbH and ING3D GmbH, in which va-Q-tec held a 15% stake each as of 31 December 2022.

12 The financial result mainly relates to the interest expenses on the bond issued in November 2020 with a nominal amount of CHF 25m, a maturity of 5 years, and a coupon of 3.75%. In addition, there are liabilities to banks consisting of long-term loans for financing land, buildings, and equipment, as well as a short-term overdraft facility for financing working capital. The increase in financial expenses in FY22A is primarily due to the fact that the utilization of the credit line of va-Q-tec was higher during the year compared to the previous year and that interest rates had risen in the short-term area in 2022.

13 The reported tax expense or income includes both the actual and the deferred tax expense or income.

In addition to the above explanations, it should be noted that the Russia-Ukraine conflict, which has been ongoing since the beginning of 2022, has had virtually no further impact on va-Q-tec's business activities, with the exception of the related general macroeconomic effects (general increase in energy costs, inflation, etc.), as it has no presence in the affected regions and only relatively few container rentals have been carried out out of Russia.

Adjustments of earnings

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Derivation of adjusted Group earnings FY20A to FY22A

Currency: EURm		FY20A	FY21A	FY22A
Reported EBITDA		**11.4**	**17.8**	**7.7**
Transaction costs	1	-	-	6.7
Adjustments from taxes and customs	2	(0.9)	0.8	1.3
Variable compensation of employees	3	(0.1)	-	-
Sales & lease back – IAS 17	4	(2.4)	(1.7)	(1.0)
Compensations	5	-	1.8	(0.6)
New ERP system, network rental software	6	-	0.0	0.3
Normalization in connection with damaged goods	7	-	0.1	(0.1)
Manufacturing consulting	8	-	0.6	0.0
Covid-19 bonuses	9	-	0.7	-
Recruiting MDs	10	-	0.1	-
20th company's anniversary	11	-	0.3	-
Irish financial authorities	12	(0.1)	-	-
Marketing and sales expenses Covid-19	13	(0.7)	(0.8)	-
Litigations	14	-	0.0	0.1
Sale of assets	15	(0.1)	(0.0)	(0.2)
Adjustments		**(4.3)**	**1.9**	**6.5**
Adjusted EBITDA		**7.1**	**19.7**	**14.2**
Key performance indicators:				
EBITDA margin, reported		*15.8%*	*17.1%*	*6.9%*
EBITDA margin, adjusted		*9.9%*	*19.0%*	*12.7%*

Source: va-Q-tec annual reports 2020, 2021, 2022, Management information, EY analysis

Analysis of earnings adjustments

To assess the existing earning power and evaluate the plausibility of the planning calculation, we have adjusted the past results of the va-Q-tec Group for extraordinary and non-period effects.

The starting point for the adjustments is the EBITDA according to the annual report.

1 The adjustment concerns the transaction costs booked in connection with the takeover offer until 31 December 2022, amounting to EUR 6.7m.

2 In the course of analyzing tax and customs-related issues, it was found that va-Q-tec had not acted fully tax-compliant in several countries. The original assumption was that the international air freight transport services carried out or commissioned would be tax-exempt or subject to a tax rate of 0%. The identified tax and duty risks amount to a total of EUR 2.4m, for which a corresponding provision was made in the financial statements for FY21A and FY22A. In the context of normalizing the situation, the tax impact was allocated to the affected years based on causation, in addition to adjusting the expense-effective provision formation.

3 In FY22A, it was identified that some subsidiaries of va-Q-tec had not made provisions for employee remuneration earned and agreed upon in FY21A, amounting to EUR 206k. Consequently, personnel expenses in FY21A were understated. Variable remuneration for FY20A was also mistakenly reported in FY21A. The error, including the tax effects, was retrospectively corrected in the annual report for FY22A according to IAS 8. The affected items of the financial statements for FY22A for the previous years were adjusted accordingly. The situation requires an increase in personnel expenses for FY20A by EUR 62.8k. The earnings effect for FY21A is already included in the reported EBITDA, as the corrected reported figures for FY21A are used.

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Derivation of adjusted Group earnings FY20A to FY22A

Currency: EURm		FY20A	FY21A	FY22A
Reported EBITDA		**11.4**	**17.8**	**7.7**
Transaction costs	1	-	-	6.7
Adjustments from taxes and customs	2	(0.9)	0.8	1.3
Variable compensation of employees	3	(0.1)	-	-
Sales & lease back – IAS 17	4	(2.4)	(1.7)	(1.0)
Compensations	5	-	1.8	(0.6)
New ERP system, network rental software	6	-	0.0	0.3
Normalization in connection with damaged goods	7	-	0.1	(0.1)
Manufacturing consulting	8	-	0.6	0.0
Covid-19 bonuses	9	-	0.7	-
Recruiting MDs	10	-	0.1	-
20th company‘s anniversary	11	-	0.3	-
Irish financial authorities	12	(0.1)	-	-
Marketing and sales expenses Covid-19	13	(0.7)	(0.8)	-
Litigations	14	-	0.0	0.1
Sale of assets	15	(0.1)	(0.0)	(0.2)
Adjustments		**(4.3)**	**1.9**	**6.5**
Adjusted EBITDA		**7.1**	**19.7**	**14.2**
Key performance indicators:				
EBITDA margin, reported		*15.8%*	*17.1%*	*6.9%*
EBITDA margin, adjusted		*9.9%*	*19.0%*	*12.7%*

Source: va-Q-tec annual reports 2020, 2021, 2022, Management information, EY analysis

4 As part of sale-and-finance-leaseback transactions, the va-Q-tec Group sold containers to leasing companies by 31 December 2018, and then leased them back. The surplus from the sales price received by va-Q-tec and the book value of the containers from the sale could not be immediately recognized as income in sale-and-finance-leaseback transactions, but was recorded as a passive special item under non-financial liabilities. The special item will be successively dissolved over the term of the lease of 5 years and will be shown in other operating income in the Group income statement. The existing special item will be dissolved by 31 December 2023. Accordingly, the income from the dissolution of the special item from container sale-and-finance-leaseback transactions was adjusted.

5 In FY21A, va-Q-tec Ltd. (UK) had agreed with a customer to a minimum purchase of container deliveries for the period from February 2021 to April 2022 and accordingly held capacities. In FY22A, it was ultimately determined that the customer had not fulfilled its purchase obligation to the agreed extent. Accordingly, va-Q-tec Ltd. received a compensation payment, which was fully recognized as income in FY22A. As part of the normalization process, the effects of holding capacities that could also have been used to serve orders or inquiries from other customers were allocated to FY21A and FY22A on a cause-and-effect basis.

In addition, va-Q-tec had agreed with a customer to open a "TempChain" Service Center in South Africa. The corresponding costs of EUR 0.5m were reimbursed by the customer as agreed. As part of the normalization process, a portion of the cost reimbursement was allocated to FY21A and accordingly adjusted in FY22A.

Adjustments of earnings

Derivation of adjusted Group earnings FY20A to FY22A

Currency: EURm		FY20A	FY21A	FY22A
Reported EBITDA		**11.4**	**17.8**	**7.7**
Transaction costs	1	-	-	6.7
Adjustments from taxes and customs	2	(0.9)	0.8	1.3
Variable compensation of employees	3	(0.1)	-	-
Sales & lease back – IAS 17	4	(2.4)	(1.7)	(1.0)
Compensations	5	-	1.8	(0.6)
New ERP system, network rental software	6	-	0.0	0.3
Normalization in connection with damaged goods	7	-	0.1	(0.1)
Manufacturing consulting	8	-	0.6	0.0
Covid-19 bonuses	9	-	0.7	-
Recruiting MDs	10	-	0.1	-
20th company's anniversary	11	-	0.3	-
Irish financial authorities	12	(0.1)	-	-
Marketing and sales expenses Covid-19	13	(0.7)	(0.8)	-
Litigations	14	-	0.0	0.1
Sale of assets	15	(0.1)	(0.0)	(0.2)
Adjustments		**(4.3)**	**1.9**	**6.5**
Adjusted EBITDA		**7.1**	**19.7**	**14.2**
Key performance indicators:				
EBITDA margin, reported		*15.8%*	*17.1%*	*6.9%*
EBITDA margin, adjusted		*9.9%*	*19.0%*	*12.7%*

Source: va-Q-tec annual reports 2020, 2021, 2022, Management information, EY analysis

6 In FY22A, a new ERP system was put into operation. The corresponding implementation phase had already begun in FY21A. In addition, a project to improve the software for managing the container and box service business was started and completed in FY22A. The related costs are considered by management to be non-recurring and are therefore adjusted accordingly.

7 In FY21A, containers were damaged during internal transport, and the transported inventory was written off. In FY22A, va-Q-tec received partial insurance reimbursement. Since management considers the corresponding damage incident to be non-recurring, EBITDA was adjusted for both the expense related to the inventory write-off and the corresponding insurance reimbursement.

8 In FY21A, consulting services related to optimizing production processes were utilized. Management classifies the corresponding consulting services as non-recurring. Accordingly, the related effects on earnings in the respective fiscal years were adjusted.

9 During the pandemic, bonus payments were made to employees as compensation for the Covid-19 challenges. Since these payments were of a one-time nature, they were adjusted.

10 In FY21A, the va-Q-tec Group incurred headhunter costs beyond the usual level in connection with the search for Managing Directors for subsidiaries. The corresponding costs were adjusted.

11 In FY21A, the va-Q-tec Group celebrated its 20th company anniversary. The corresponding costs were classified as non-operational and also as non-recurring and were adjusted accordingly.

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Derivation of adjusted Group earnings FY20A to FY22A

Currency: EURm		FY20A	FY21A	FY22A
Reported EBITDA		**11.4**	**17.8**	**7.7**
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Compensations	5	-	1.8	(0.6)
New ERP system, network rental software	6	-	0.0	0.3
Normalization in connection with damaged goods	7	-	0.1	(0.1)
Manufacturing consulting	8	-	0.6	0.0
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Recruiting MDs	10	-	0.1	-
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Source: va-Q-tec annual reports 2020, 2021, 2022, Management information, EY analysis

12 In FY16A, the va-Q-tec Group had received an excessive refund from the Irish tax authorities. In FY20A, the corresponding provision was released. The related income was adjusted accordingly.

13 In FY22A, marketing and sales activities returned to normal levels after restrictions in previous years due to the Covid-19 pandemic. Accordingly, marketing and sales expenses in FY20A and FY21A were increased as part of the presentation of a normalized earnings situation and adjusted to a normal level.

14 In connection with labor law and patent law proceedings, expense bookings were made in FY21A and FY22A, which management does not consider recurring. The corresponding expenses were adjusted.

15 Since gains and losses from the sale of assets are not attributable to the operating activities of va-Q-tec, EBITDA was adjusted for the respective net income from these transactions in the according fiscal years.

Analysis of planning accuracy

Analysis of planning accuracy FY20A to FY22A

	FY20A			FY21A			FY22A		
Currency: EURm	**Plan**	**Delta**	**Actual***	**Plan**	**Delta**	**Actual***	**Plan**	**Delta**	**Actual***
Revenue	76.5	(4.4)	72.1	93.9	10.1	104.1	120.9	(9.1)	111.8
EBITDA	13.0	(5.9)	7.1	17.0	2.7	19.7	20.4	(6.2)	14.2
EBIT	0.9	(3.7)	(2.8)	4.2	3.6	7.7	5.4	(4.9)	0.5
Revenue deviation	*(5.8%)*			*10.8%*			*(7.5%)*		
EBITDA deviation	*(45.2%)*			*16.1%*			*(30.5%)*		
EBIT deviation	*(396.7%)*			*85.5%*			*(90.8%)*		

* Adjusted actuals

Source: Management information, quarterly and annual reports of va-Q-tec AG 2020 - 2022

Preliminary remark

To assess the accuracy of the planning, deviation analyses were carried out for FY20A to FY22A based on IFRS actual and planned figures. In each case, the adjusted actual result was compared to the budget originally forecasted in the respective planning process for the first planning year.

The table on the left presents the comparison of the original revenue planning with the actual result and the resulting absolute and percentage deviation on an aggregated basis.

Fiscal Year 2020

In FY20A, revenue expectations were slightly higher than the actual target achievement (-5.8%). The Covid-19 related revenue losses could only be partially offset by the new business with the transport of Corona test kits. Due to correspondingly lower material expenses, the planned gross profit margin was slightly exceeded. Since the fixed costs in the actual result are almost equal to the planned value, the EBITDA was missed by around EUR -5.9m, and the EBIT by around EUR -3.7m.

Fiscal Year 2021

In FY21A, revenue targets were significantly exceeded, particularly due to the strong HealthCare business in the "TempChain" area (+10.8%). A significant factor in this development was the increased demand for temperature-controlled transport solutions for Covid-19 vaccines. In addition, VIP revenues also developed positively.

As a result of this development, the planned EBITDA and EBIT for FY21A were also exceeded (+16.1% and +85.5%, respectively).

Analysis of planning accuracy

Analysis of planning accuracy FY20A to FY22A

	FY20A			FY21A			FY22A		
Currency: EURm	Plan	Delta	Actual*	Plan	Delta	Actual*	Plan	Delta	Actual*
Revenue	76.5	(4.4)	72.1	93.9	10.1	104.1	120.9	(9.1)	111.8
EBITDA	13.0	(5.9)	7.1	17.0	2.7	19.7	20.4	(6.2)	14.2
EBIT	0.9	(3.7)	(2.8)	4.2	3.6	7.7	5.4	(4.9)	0.5
Revenue deviation		*(5.8%)*			*10.8%*			*(7.5%)*	
EBITDA deviation		*(45.2%)*			*16.1%*			*(30.5%)*	
EBIT deviation		*(396.7%)*			*85.5%*			*(90.8%)*	

* Adjusted actuals

Source: Management information, quarterly and annual reports of va-Q-tec AG 2020 - 2022

Fiscal year 2022

In FY22A, the planned sales targets (EUR 120.9m) were significantly missed (-7.5%). A major reason for this was the decline and sometimes even complete absence of sales from Covid-19 vaccine transports. The EBIT also failed to reach target values at any point during the fiscal year. Influencing factors included the significantly increased personnel costs. Increased costs in the areas of transport, logistics, internationalization, and increased energy costs related to the Ukraine conflict also negatively impacted profitability.

Conclusion on planning accuracy

FY20A to FY22A were strongly influenced by the Covid-19 pandemic. The uncertainties associated with this had a corresponding impact on planning and actual results.

On the one hand, the Covid-19 pandemic led to a decline in sales for some existing customers, but at the same time, it led to considerable, unplanned new business. Furthermore, due to global supply chain problems and price increases in the energy sector fueled by the Ukraine crisis, there were unforeseeable cost increases in all areas of the company.

The analysis of planning accuracy shows that past plans were characterized by a certain degree of tension overall.

Analysis of planning accuracy FY23

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Analysis of planning accuracy FY23 Q1

	FY23 Q1		
Currency: EURm	**Plan**	**Delta**	**Actual***
Revenue	31.5	(4.3)	27.2
EBITDA	4.7	(3.6)	1.1
EBIT	0.8	(3.3)	(2.6)
Revenue deviation		(13.7%)	
EBITDA deviation		(76.7%)	
EBIT deviation		(439.8%)	

* Adjusted actuals

Source: Management information, published quarterly report of va-Q-tec AG Q1 2023

Year-to-go FY23

	FY23		
Currency: EURm	**Q1 23A***	**Year-to-go**	**FY23FC**
Revenue	27.2	107.4	134.6
EBITDA	1.1	20.7	21.8
EBIT	(2.6)	8.3	5.8
Revenue deviation	20.2%	79.8%	100.0%
EBITDA deviation	5.1%	94.9%	100.0%
EBIT deviation	(44.3%)	144.3%	100.0%

* Adjusted actuals

Source: Management information, quarterly report of va-Q-tec AG Q1 2023

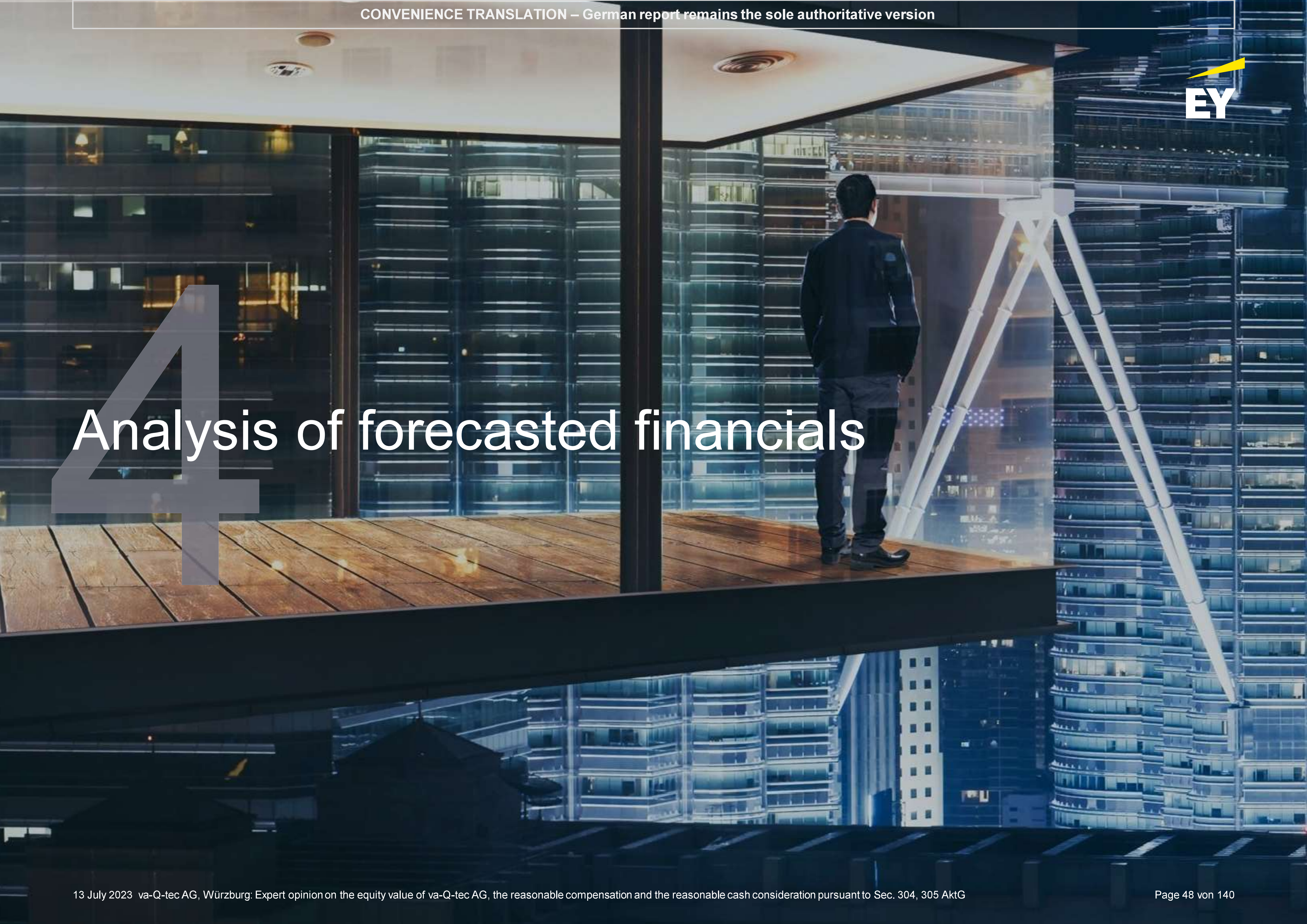
Plan-Actual Comparison FY23

The adjacent upper table shows the comparison of the planned values of the va-Q-tec Group for the Q1 FY23A with the adjusted actual values according to the quarterly reporting for this period.

In the first quarter of FY23A, the sales targets (EUR 31.5m) were missed by around 13.7%. This was due to weak development in the services business segment ("Serviced Rental" of boxes and containers) and could not be compensated by the dynamic sales growth in the products business segment (sale of vacuum insulation panels). The overall earnings development is characterized by the absence of Corona-related revenues.

The va-Q-tec Group has a high cost level due to, among other things, investments in personnel in previous years but is largely in line with the plan. In the earnings development, this results in an even more negative deviation compared to the sales deviation.

On an annual basis, it becomes clear that a strong second half of the year, particularly in the more profitable service sector, must follow in order to achieve the targets in the remaining months of FY23. The company currently assumes that sales development will gain momentum in the further course of the year and thus, the ambitious plan can still be achieved.



4 Analysis of forecasted financials

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Planning process and methodology

Explanation of the planning process

Foundation

The annual planning process of the va-Q-tec Group for the following 4 fiscal years begins in September of the current fiscal year with the definition and specification of sales targets, growth expectations, and earnings targets by the Executive Board for the entire Group as well as the business segments, taking into account the overall economic and industry-specific conditions and prospects. Subsequently, the concrete bottom-up planning starts by the respective sales units and cost center managers. The plans are made at the company level and then merged into the Group planning. The bottom-up plans are based on a sales plan for each company.

The developed planning covers a medium-term planning for a four-year period. For the first year, the planning is done on a monthly basis, for the following years on an annual basis. The planning consists of an integrated profit and loss statement (P&L), balance sheet, and cash flow planning. The P&L planning includes all items up to the annual result. During the course of the first planning year, the planning for the current year (budget) is updated. The budget for the current year is initially updated from around mid June based on the previous actual development. The corresponding plan update will be completed by mid/end of July.

While the planning for the first planning year is carried out in detail at the customer and item level as well as the cost center level, the subsequent three planning years are planned with percentage growth rates, material input ratios taking into account the product mix, productivity increases, and savings in purchasing as well as necessary personnel resources.

In general, the planning process is completed in December. This is followed by a discussion with the Executive Board and the heads of the business segments and cost center managers, which leads to the approval of the planning by the Executive Board. Subsequently, a final approval is given by the Supervisory Board.

The planning calculation underlying the present company valuation was adopted by the Executive Board on 2 February 2023, and approved by the Supervisory Board of va-Q-tec on 5 February 2023.

Planning process and methodology

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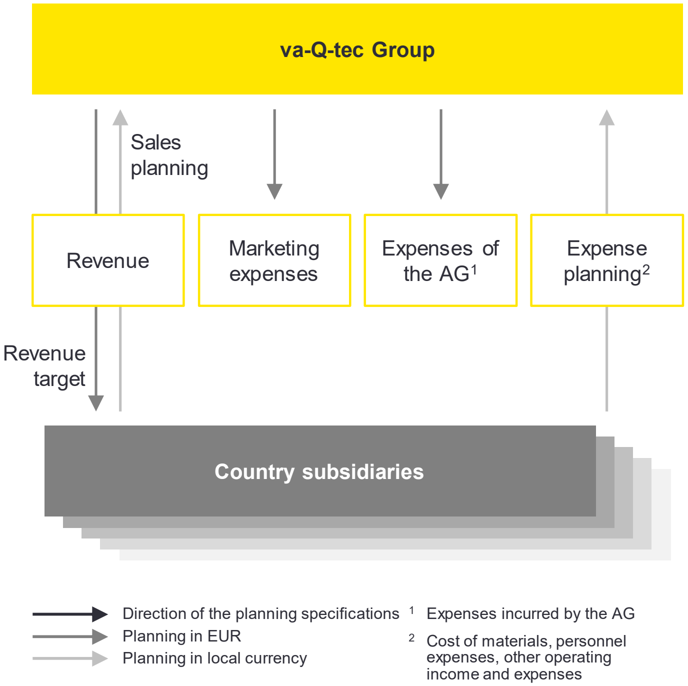
Display of the planning process



1 Expenses incurred by the AG

2 Cost of materials, personnel expenses, other operating income and expenses

Explanation of the planning process

Revenue planning

The planning process for revenue is carried out symbiotically through a mix of top-down and bottom-up planning.

First, the Executive Board sets the top-down sales targets for the individual business segments. These goals are based on an analysis of the market environment, the company strategy, and the financial objectives. The top-down planning enables a strategic alignment and creates an overarching framework for revenue planning at the business segment level.

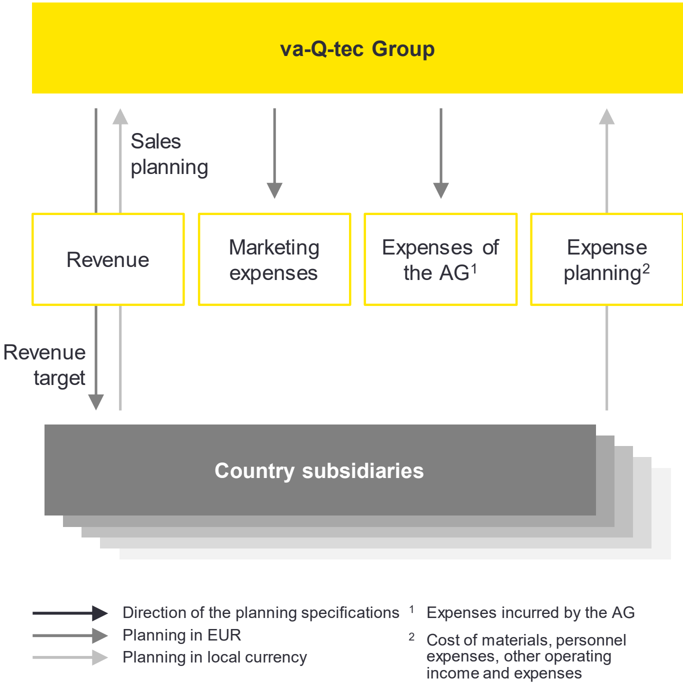
In the next step, the responsible sales unit forecasts the bottom-up revenue planning targets for each country company. In this process, local market and competitive conditions are taken into account. The sales unit analyzes the specific market trends, customer needs, and competitive environment in different countries to create a well-founded revenue forecast. This bottom-up planning allows for a detailed examination of individual markets and takes into account local peculiarities.

While the top-down revenue target for the business segments is set in euros, the bottom-up revenue planning is created in the respective functional currency of the country subsidiary. This allows for a more accurate consideration of exchange rate fluctuations and their impact on revenue. To create a uniform basis for planning, the bottom-up planning is converted using centrally predefined exchange rate assumptions from the Group controlling. This minimizes possible currency risks and volatilities when consolidating revenue figures.

Overall, the symbiotic approach of top-down and bottom-up planning enables a holistic revenue planning. By integrating overarching goals and local market knowledge, the company can set realistic and achievable revenue targets and make informed strategic decisions. This planning process forms a solid foundation for managing revenue growth and the long-term success development of the company.

Planning process and methodology

Display of the planning process



1 Expenses incurred by the AG

2 Cost of materials, personnel expenses, other operating income and expenses

Explanation of the planning process

Cost planning

To ensure effective control of resources and costs, not only the revenue targets but also the marketing expenses and other expenses incurred at va-Q-tec are centrally planned at the Group level.

The central planning of marketing expenses allows the company to develop and implement a holistic marketing strategy. Based on the corporate goals and the specific requirements of different markets and products, marketing budgets are set at the Group level.

In addition, other expenses incurred at va-Q-tec are also centrally planned. These include costs such as material expenses, personnel expenses, and other operating income and expenses.

On the other hand, expenses directly incurred by the country subsidiary, such as material expenses, personnel expenses, and other operating income and expenses, are planned locally and in the specific country currency.

By locally planning expenses, country subsidiary can more efficiently control their cost structure and respond to local peculiarities. This includes, for example, taking into account different wage levels, tax regulations, and legal frameworks in various countries.

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Group EBIT FY23FC to FY26FC

Currency: EURm		FY23FC	FY24FC	FY25FC	FY26FC
Revenue	1	134.6	163.6	198.9	235.1
Own work capitalized	2	7.7	13.9	15.2	14.8
Total output		**142.3**	**177.5**	**214.1**	**249.9**
Cost of materials and services	3	(56.3)	(72.2)	(86.4)	(99.7)
Gross profit		**86.0**	**105.3**	**127.7**	**150.2**
Personnel expenses	4	(42.8)	(49.2)	(55.9)	(64.5)
Other operating income	5	2.6	2.3	2.3	2.1
Other operating expenses	6	(24.0)	(25.8)	(27.8)	(29.8)
EBITDA	8	**21.8**	**32.5**	**46.2**	**58.0**
Depreciation	7	(16.0)	(18.5)	(22.3)	(23.6)
EBIT	8	**5.8**	**14.1**	**23.9**	**34.5**
Key performance indicators:					
Revenue growth		*20.3%*	*21.6%*	*21.5%*	*18.2%*
Gross profit margin (as % of revenue)		*63.9%*	*64.4%*	*64.2%*	*63.9%*
EBITDA margin (as % of revenue)		*16.2%*	*19.9%*	*23.2%*	*24.7%*
EBIT margin (as % of revenue)		*4.3%*	*8.6%*	*12.0%*	*14.7%*

Source: Management information, EY analysis

Planning of operative result

The earnings planning of the va-Q-tec Group for the planning period FY23FC to FY26FC is shown alongside.

1 For FY23FC, the va-Q-tec Group expects revenue growth compared to the previous year, which should reconnect with historical revenue growth rates. The va-Q-tec Group faces the challenge of compensating for or even surpassing revenues related to Covid-19 vaccine transports, which accounted for 23% of the Group's revenue in FY21A and 16% in FY22A, with business in alternative business areas and target markets.

The fundamental growth drivers, on which the detailed revenue growth in the planning period is based, are the increased use of biotech pharmaceuticals, globalization of value chains, and regulation of cold chains. However, beyond the pharmaceutical industry, ensuring temperature-stable supply chains, such as semiconductor or food industry, is also expected to be highly relevant. The need for energy efficiency is also expected to provide further momentum to the "TEnEff" business segment. Overall, the va-Q-tec Group's revenue is expected to grow from EUR 134.6m in FY23FC to EUR 235.1m in FY26FC, representing a CAGR of 20.4%.

va-Q-tec considers itself well-positioned in both the "TempChain" and "TEnEff" business segment to participate in growth opportunities. The corresponding details are explained on the following pages for both the business segments and the regional reporting segments.

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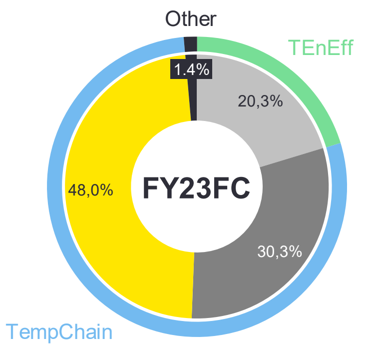
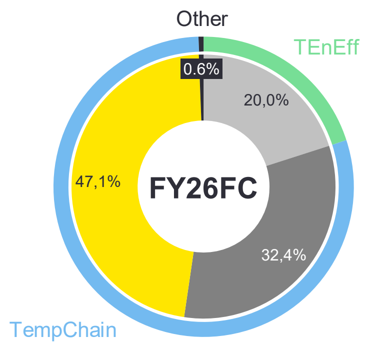
Revenue forecast per business segment FY23FC to FY26FC

Currency: EURm	FY23FC	FY24FC	FY25FC	FY26FC
Products	27.3	32.4	40.2	47.0
TEnEff	**27.3**	**32.4**	**40.2**	**47.0**
Systems	40.8	50.7	62.5	76.1
Services	64.5	79.2	94.9	110.7
TempChain	**105.3**	**129.9**	**157.4**	**186.8**
Other	**1.9**	**1.3**	**1.3**	**1.3**
Group (cons.)	**134.6**	**163.6**	**198.9**	**235.1**
Revenue growth:				
TEnEff	*22.6%*	*18.6%*	*23.8%*	*17.1%*
TempChain	*20.8%*	*23.4%*	*21.2%*	*18.7%*
Group (cons.)	*20.3%*	*21.6%*	*21.5%*	*18.2%*

Source: Management information, EY analysis

Breakdown of forecasted Group revenues per business segment





Products Systems Services Others

Analysis of planned revenues per business segments

TEnEff

In the “Products” business segment, which serves target markets with vacuum insulation panels for thermal insulation, sales are expected to increase from EUR 27.3m in FY23FC to EUR 47.0m in FY26FC. This corresponds to an increase of 72.1%. The reason for this is the megatrend of energy efficiency, which is gaining in importance due to stricter regulations, rising energy costs, and increasing environmental awareness.

Accordingly, va-Q-tec also expects to be able to realize significant growth potential in the application areas and target markets it serves.

The largest target market for va-Q-tec is already the Technology and Industry ("T&I") target market. Customers in this market are facing a change in the regulatory environment in important core markets. Hot water storage tanks for heating systems are now subject to a labeling system in energy efficiency classes. In addition, devices with high energy consumption and low energy efficiency classes are excluded from the European internal market. va-Q-tec customers currently use VIPs primarily to position premium hot water storage tanks in the highest efficiency classes. In the future, and with stricter regulation, it is expected that VIP-insulated hot water storage tanks will find demand in the mass market beyond the premium segment. Additional sales volume is also planned in the area of pipe insulation, such as in industrial plants and local and district heating, through the current partnership with Uponor. Sales to customers in the T&I target market are assumed to grow from EUR 11.3m in FY23FC to EUR 16.8m in FY26FC.

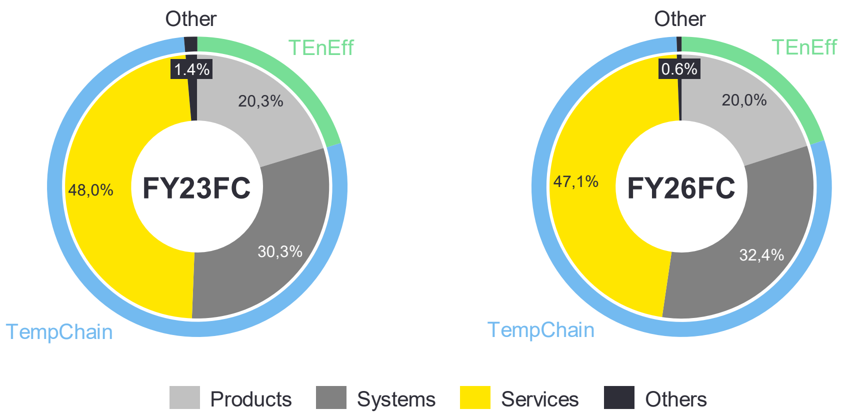
Planning calculation and analysis

Revenue forecast per business segment FY23FC to FY26FC

Currency: EURm	FY23FC	FY24FC	FY25FC	FY26FC
Products	27.3	32.4	40.2	47.0
TEnEff	**27.3**	**32.4**	**40.2**	**47.0**
Systems	40.8	50.7	62.5	76.1
Services	64.5	79.2	94.9	110.7
TempChain	**105.3**	**129.9**	**157.4**	**186.8**
Other	**1.9**	**1.3**	**1.3**	**1.3**
Group (cons.)	**134.6**	**163.6**	**198.9**	**235.1**
Revenue growth:				
TEnEff	*22.6%*	*18.6%*	*23.8%*	*17.1%*
TempChain	*20.8%*	*23.4%*	*21.2%*	*18.7%*
Group (cons.)	*20.3%*	*21.6%*	*21.5%*	*18.2%*

Source: Management information, EY analysis

Breakdown of forecasted Group revenues per business segment



Almost on par in terms of sales with the T&I target market is the market for refrigeration appliances and food, such as the insulation of refrigerators/freezers and ultra-low temperature freezers. Further growth is planned here, as more VIPs from va-Q-tec are used in the manufacturing process of Original Equipment Manufacturers (OEM) due to higher regulatory requirements for the energy efficiency of refrigerators.

However, the challenge arises that VIPs supplied by va-Q-tec made from silica powder can be replaced by cheaper solutions (e.g. VIPs made from fiberglass), which are used in particular by Chinese competitors. va-Q-tec therefore plans to offer not only high-performance VIPs made from silica but also VIPs made from fiberglass. Therefore, a loss of market share is not expected. Instead, sales to customers in the target market for refrigeration appliances and food are expected to grow from EUR 11.3m in FY23FC to EUR 16.8m in FY26FC, an increase of 47.9%.

The greatest growth potential is expected in the target markets of construction and mobility. In the construction target market, which includes building insulation (facade, roof, floor), sales are expected to increase from EUR 4.3m in FY23FC to EUR 14.7m in FY26FC. In construction, there is an opportunity to benefit from increasingly stringent energy efficiency standards for new buildings and renovations. In addition, the disproportionate growth is expected to be achieved primarily by moving away from manufacturing and supplying customers with VIPs according to specific customer requirements and instead focusing on standardized VIP sales.

In the target market mobility, sales revenues of EUR 0.6m are expected to be achieved in FY23FC, and the corresponding sales are to be expanded by 334.4% by FY26FC. In addition to the application area in the aviation industry, high-tech insulation of electric vehicles with specially newly developed VIPs is expected to contribute to growth.

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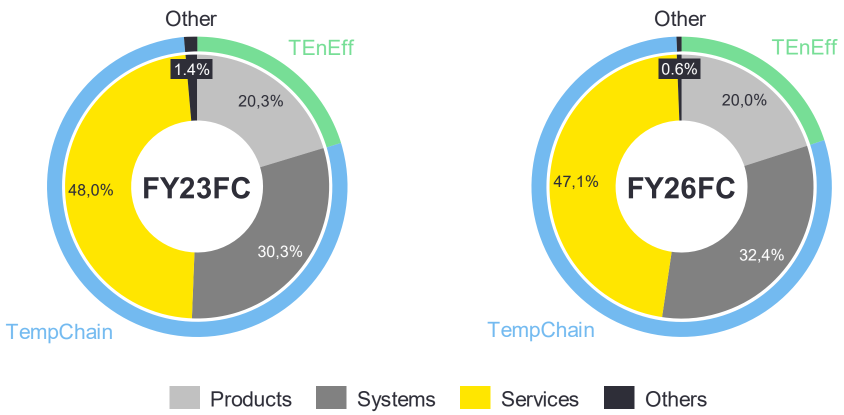
Revenue forecast per business segment FY22FC to FY26FC

Currency: EURm	FY23FC	FY24FC	FY25FC	FY26FC
Products	27.3	32.4	40.2	47.0
TEnEff	**27.3**	**32.4**	**40.2**	**47.0**
Systems	40.8	50.7	62.5	76.1
Services	64.5	79.2	94.9	110.7
TempChain	**105.3**	**129.9**	**157.4**	**186.8**
Other	**1.9**	**1.3**	**1.3**	**1.3**
Group (cons.)	**134.6**	**163.6**	**198.9**	**235.1**
Revenue growth:				
TEnEff	*22.6%*	*18.6%*	*23.8%*	*17.1%*
TempChain	*20.8%*	*23.4%*	*21.2%*	*18.7%*
Group (cons.)	*20.3%*	*21.6%*	*21.5%*	*18.2%*

Source: Management information, EY analysis

Breakdown of forecasted Group revenues per business segment



TempChain

In the "TempChain" business segment, sales are expected to increase from EUR 105.3m in FY23FC to EUR 186.8m in FY26FC, representing an increase of 77.4%. The service business (i.e., the rental business of boxes and containers) is expected to grow by 19.7% p.a., and the system business with the sale of thermal boxes by 21.1% p.a. in the period from FY23FC to FY26FC.

The following factors are relevant for the period under consideration:

- Covid-19 business: For FY23FC, revenues related to Covid vaccine transports are expected for the last time. These account for only a low single-digit million amount. The corresponding forecast is based on the experience in FY22A and especially on the fourth quarter, in which the originally expected increase in vaccine deliveries almost completely failed to materialize.
- Pharmaceutical Industry: The trend towards more and more temperature-sensitive medications is expected to support the planned revenue growth during the detailed planning period. Key drivers include the growing market for biopharmaceuticals (such as mRNA vaccines, cancer, and hepatitis medications), clinical samples, and last-mile logistics. During the planning period, the Healthcare & Logistics target market will continue to account for the largest share of sales by far. In addition to expanding business with existing customers, a broadening of the customer base is planned.
- Other industries: In addition to the pharmaceutical industry, the transport of temperature-sensitive goods, such as in the semiconductor, chemical, and food industries, is becoming increasingly important. Accordingly, the plan provides for va-Q-tec to participate disproportionately in this growth. Starting from a sales level of a few hundred thousand euros in FY22A for customers in the food industry, for example, sales with these customers are expected to increase to over EUR 8m by FY26FC. Revenues from the cooling box QOOL are also expected to increase from just over half a million euros in FY22A to around EUR 8.8m in FY26FC.

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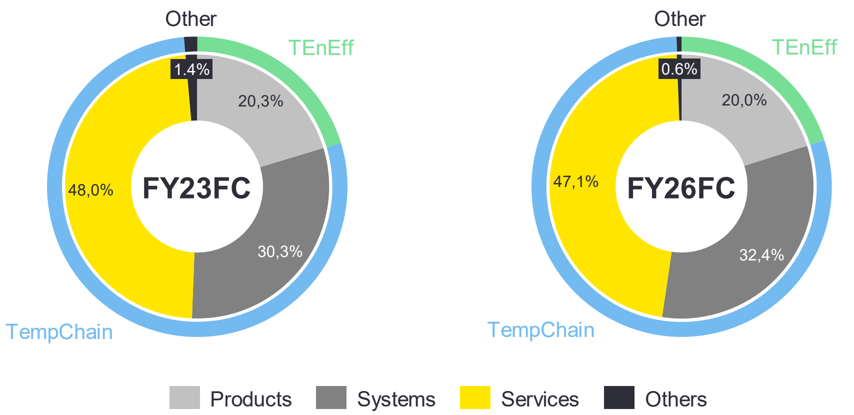
Revenue forecast per business segment FY22FC to FY26FC

Currency: EURm	FY23FC	FY24FC	FY25FC	FY26FC
Products	27.3	32.4	40.2	47.0
TEnEff	**27.3**	**32.4**	**40.2**	**47.0**
Systems	40.8	50.7	62.5	76.1
Services	64.5	79.2	94.9	110.7
TempChain	**105.3**	**129.9**	**157.4**	**186.8**
Other	**1.9**	**1.3**	**1.3**	**1.3**
Group (cons.)	**134.6**	**163.6**	**198.9**	**235.1**
Revenue growth:				
TEnEff	*22.6%*	*18.6%*	*23.8%*	*17.1%*
TempChain	*20.8%*	*23.4%*	*21.2%*	*18.7%*
Group (cons.)	*20.3%*	*21.6%*	*21.5%*	*18.2%*

Source: Management information, EY analysis

Breakdown of forecasted Group revenues per business segment



Other

For the “Other” business segment, constant sales revenues of around EUR 1.3m are planned starting from FY24FC. These include consulting services for thermal insulation (e.g., to achieve higher energy efficiency classes) and government-funded research projects.

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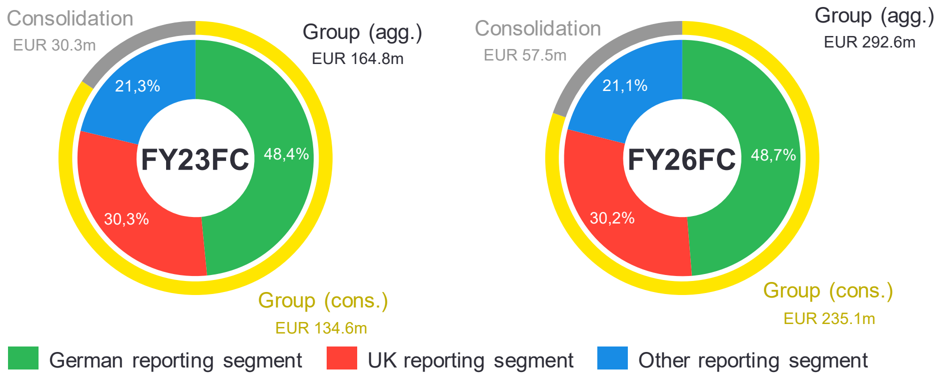
Revenue forecast per reporting segment FY23FC to FY26FC

Currency: EURm	FY23FC	FY24FC	FY25FC	FY26FC
German reporting segment	79.8	105.3	125.0	142.5
UK reporting segment	49.9	60.9	74.3	88.4
Other reporting segment	35.1	41.6	51.4	61.7
Group revenues (agg.)	**164.8**	**207.9**	**250.7**	**292.6**
Consolidation	(30.3)	(44.3)	(51.8)	(57.5)
Group revenues (cons.)	**134.6**	**163.6**	**198.9**	**235.1**
Revenue growth:				
German reporting segment	*7.4%*	*32.0%*	*18.6%*	*14.1%*
UK reporting segment	*10.7%*	*22.0%*	*21.9%*	*19.0%*
Other reporting segment	*56.0%*	*18.6%*	*23.5%*	*19.9%*
Group (cons.)	*20.3%*	*21.6%*	*21.5%*	*18.2%*

Source: Management information, EY analysis

Breakdown of forecasted Group revenues per reporting segment



Explanation of sales revenue planning by reporting segments

German reporting segment

The share of sales revenues of the German reporting segment (va-Q-tec) in the aggregated sales revenues of the Group amounts to an average of 49.4% in the period under review from FY23FC to FY26FC. The revenues of va-Q-tec include, among other things, the full revenues of the TenEff business segment. In addition, it should be noted that the worldwide distribution network of the va-Q-tec Group is supplied with self-produced boxes and containers from Germany. Accordingly, the revenue development of the German reporting segment is influenced by capital expenditures in the container and box fleet. Since the planned revenue growth in the "TempChain" area can still be largely covered with the existing fleet in FY23FC, only reduced capital expenditures in containers are necessary. In contrast, substantial capital expenditures in the fleet will be required in FY24FC. Accordingly, the revenue growth at the va-Q-tec level in FY24FC is disproportionately high compared to the growth in the business segments.

UK reporting segment

The container rental business with customers from the healthcare sector is handled almost exclusively through the subsidiary in the United Kingdom. As a result of the change in pricing, there is a short-term reduced growth of 10.7% in sales in FY23FC despite a planned growth in the number of rentals of over 20%. For the following years, an annual price increase is planned in addition to the planned volume growth. Overall, the planned growth for the British reporting segment is thus at the level of the planned growth for the service sector in the "TempChain" business segment.

Other reporting segment

The other reporting segment essentially includes the local rental business with boxes and the sale of boxes. The planning shows the increasing importance of local sales companies. The disproportionate growth in FY23FC results particularly from India, China, and Brazil.

Planning calculation and analysis

Group EBIT FY23FC to FY26FC

Currency: EURm		FY23FC	FY24FC	FY25FC	FY26FC
Revenue	1	134.6	163.6	198.9	235.1
Own work capitalized	2	7.7	13.9	15.2	14.8
Total output		**142.3**	**177.5**	**214.1**	**249.9**
Cost of materials and services	3	(56.3)	(72.2)	(86.4)	(99.7)
Gross profit		**86.0**	**105.3**	**127.7**	**150.2**
Personnel expenses	4	(42.8)	(49.2)	(55.9)	(64.5)
Other operating income	5	2.6	2.3	2.3	2.1
Other operating expenses	6	(24.0)	(25.8)	(27.8)	(29.8)
EBITDA	8	**21.8**	**32.5**	**46.2**	**58.0**
Depreciation	7	(16.0)	(18.5)	(22.3)	(23.6)
EBIT	8	**5.8**	**14.1**	**23.9**	**34.5**
Key performance indicators:					
Revenue growth		*20.3%*	*21.6%*	*21.5%*	*18.2%*
Gross profit margin (as % of revenue)		*63.9%*	*64.4%*	*64.2%*	*63.9%*
EBITDA margin (as % of revenue)		*16.2%*	*19.9%*	*23.2%*	*24.7%*
EBIT margin (as % of revenue)		*4.3%*	*8.6%*	*12.0%*	*14.7%*

Source: Management information, EY analysis

2 The own work capitalized concerns capital expenditures in the container and box fleet. In light of the planned expansion of the rental business, a steady increase in the fleet is necessary. Additionally, with the continuous growth of the fleet, the need for replacement capital expenditures increases.

3 The highest proportion of material costs for the production of containers and boxes at va-Q-tec is made up of raw material costs. In addition, on the level of individual subsidiaries, so-called "cost-to-serve" arise, such as costs for repositioning, pre-tempering, shipping, cleaning, or repair in connection with the rental business for boxes and containers. Despite planned price increases, it is planned for the entire va-Q-tec Group to keep the material cost ratio largely constant. Accordingly, the gross margin is expected to remain relatively stable at a high level of around 64%.

4 In the personnel expense planning, in addition to moderate staff expansion, an annual increase in wages is taken into account. Overall, personnel expenses are growing proportionally less than sales development, making them a key factor in the planned margin improvement. The personnel expense ratio compared to revenue is expected to decrease from 31.8% in FY23FC to 27.4% in FY26FC. This is to be achieved through efficiency-enhancing measures such as increasingly automated production.

5 Other operating income includes the dissolution of the special fund from public grants, as well as income from the rental of building parts and land areas in Würzburg with an annual amount of EUR 441k. The decline in other operating income in FY24FC is due to the last-time receipt of income related to the dissolution of the special fund from sale-and-finance-leaseback transactions in FY23FC.

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Planning calculation and analysis

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Currency: EURm		FY23FC	FY24FC	FY25FC	FY26FC
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Personnel expenses	4	(42.8)	(49.2)	(55.9)	(64.5)
Other operating income	5	2.6	2.3	2.3	2.1
Other operating expenses	6	(24.0)	(25.8)	(27.8)	(29.8)
EBITDA	8	**21.8**	**32.5**	**46.2**	**58.0**
Depreciation	7	(16.0)	(18.5)	(22.3)	(23.6)
EBIT	8	**5.8**	**14.1**	**23.9**	**34.5**
Key performance indicators:					
Revenue growth		*20.3%*	*21.6%*	*21.5%*	*18.2%*
Gross profit margin (as % of revenue)		*63.9%*	*64.4%*	*64.2%*	*63.9%*
EBITDA margin (as % of revenue)		*16.2%*	*19.9%*	*23.2%*	*24.7%*
EBIT margin (as % of revenue)		*4.3%*	*8.6%*	*12.0%*	*14.7%*

Source: Management information, EY analysis

6 The cost items within other operating expenses were planned and projected individually. Some of the costs are fixed costs that have been projected with expected cost escalation rates. Insofar as the cost item is dependent on the planned volume and sales growth of the va-Q-tec Group, such as freight costs, this was also taken into account. Overall, it is assumed that costs will develop at a lower rate than revenue growth. Other operating expenses in relation to revenue will decrease from 16.6% in FY23FC to 11.8% in FY26FC.

7 Depreciation was planned based on the asset base at the beginning of FY23FC and the capital expenditures planned for the detailed planning period, including production, operating and business equipment, and the container and box fleet. The increase in depreciation during the detailed planning period results mainly from the planned expansion of the container and box fleet.

8 The earnings before interest, taxes, depreciation and amortization (EBITDA) are expected to more than double during the detailed planning period from FY23FC to FY26FC (growth of 166.5%). In addition to the expansion of business, this is due in particular to the disproportionately low growth in cost components compared with the growth in sales. The EBITDA margin improves from 16.2% in FY23FC to 24.7% in FY26FC. The EBIT and EBIT margin are also expected to improve significantly. The improvement in the EBIT margin during the period from FY23FC to FY26FC is slightly higher at 10.4% compared to the EBITDA margin at 8.5%, as the growth capital expenditures will only be reflected in depreciation with some time delay.

Overall, the Executive Board of va-Q-tec considers the planning to be ambitious but achievable.

Derivation of the forecasted Group earnings

Group earnings FY23FC to FY26FC

Currency: EURm	FY23FC	FY24FC	FY25FC	FY26FC
EBIT	**5.8**	**14.1**	**23.9**	**34.5**
Net financial result	(2.2)	(1.3)	(1.3)	(1.1)
EBT	**3.6**	**12.8**	**22.6**	**33.3**
Income taxes	(3.2)	(3.1)	(4.5)	(6.6)
Group earnings	**0.4**	**9.7**	**18.1**	**26.7**

Source: Management information, EY analysis

The starting point for the derivation of the Group earnings is the operating profit before interest and taxes (EBIT).

The Net financial result of the va-Q-tec Group was derived based on an integrated balance sheet and financial planning, starting from the asset status as of 31 December 2022. Due to the capital increase on 6 June 2023, special repayments were assumed for existing debt financing. It was assumed that the debt financing with the highest interest rates would be repaid first from a valuation perspective. For refinancing, the current refinancing conditions of the va-Q-tec Group and the expected refinancing volumes based on current knowledge for each planning year were used to determine the interest expense. No additional expenses for special repayments or possible refinancing costs were taken into account for the special repayments and refinancing.

The income taxes were determined at the level of individual planning of the Group companies and the country-specific tax rates. Existing tax loss carryforwards of the individual Group companies as of 31 December 2022 were considered as special values.

5 Determination of equity value

Determination of sustainable earnings

Preliminary remark

Since the company's value is essentially based on sustainable earnings, i.e. earnings in the further second planning phase following the medium-term planning, deriving sustainable earnings is a focus of the valuation work.

It must be examined whether the asset, financial, and earnings situation is in a so-called equilibrium state after the medium-term planning. The investigations must focus in particular on whether significant and sustainable changes in the sales and procurement market, product and market potential with regard to balance in the product life cycle, as well as market and competitive positioning of products and services regarding future market opportunities that have not yet been taken into account, are expected after the detailed planning phase, taking into account necessary costs for future market development and normalization of essential cost components.

Based on the analysis of the detailed planning of fiscal years FY23FC to FY26FC, we have come to the conclusion that the fiscal year FY26FC does not yet represent an equilibrium state of va-Q-tec, as there are further growth potentials based on market developments, market potential, and existing capacities that can lead to further improvements in earnings in the future.

Against this background, in consultation with va-Q-tec management, we have derived an interim or convergence phase for fiscal years FY27FC to FY34FC for valuation purposes before transitioning to the terminal value.

Determination of sustainable earnings

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Earnings forecast interim phase FY27FC to FY34FC

Currency: EURm		FY27FC	FY28FC	FY29FC	FY30FC	FY31FC	FY32FC	FY33FC	FY34FC
Revenue	1	250.1	262.0	267.7	275.0	281.9	287.8	293.0	297.4
Cost of materials and services	2	(89.8)	(93.9)	(95.8)	(98.3)	(100.7)	(102.8)	(104.6)	(106.2)
Gross profit		**160.3**	**168.2**	**171.9**	**176.6**	**181.2**	**185.0**	**188.4**	**191.2**
Personnel expenses	3	(67.5)	(69.8)	(70.9)	(72.3)	(73.7)	(74.8)	(75.7)	(76.6)
Other operating income	4	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3
Other operating expenses	4	(30.2)	(30.7)	(31.1)	(31.6)	(32.1)	(32.5)	(33.0)	(33.5)
EBITDA		**63.7**	**68.8**	**71.0**	**73.9**	**76.7**	**79.0**	**80.9**	**82.4**
Depreciation	5	(23.4)	(22.9)	(22.5)	(22.8)	(23.0)	(24.3)	(25.3)	(25.8)
EBIT		**40.3**	**45.9**	**48.5**	**51.1**	**53.7**	**54.6**	**55.5**	**56.6**
Net financial result	6	(1.5)	(1.7)	(1.7)	(1.7)	(1.9)	(2.0)	(2.4)	(2.7)
EBT		**38.8**	**44.2**	**46.7**	**49.4**	**51.9**	**52.7**	**53.2**	**53.9**
Income taxes	7	(9.5)	(11.0)	(11.7)	(12.3)	(12.9)	(13.1)	(13.3)	(13.5)
Group earnings		**29.3**	**33.1**	**35.1**	**37.0**	**38.9**	**39.5**	**39.9**	**40.5**
Key performance indicators:									
Revenue growth		*6.4%*	*4.8%*	*2.2%*	*2.7%*	*2.5%*	*2.1%*	*1.8%*	*1.5%*
Gross profit margin		*64.1%*	*64.2%*	*64.2%*	*64.2%*	*64.3%*	*64.3%*	*64.3%*	*64.3%*
EBITDA margin		*25.5%*	*26.3%*	*26.5%*	*26.9%*	*27.2%*	*27.4%*	*27.6%*	*27.7%*
EBIT margin		*16.1%*	*17.5%*	*18.1%*	*18.6%*	*19.1%*	*19.0%*	*19.0%*	*19.0%*

Source: Management information, EY analysis

Interim phase FY27FC to FY34FC

The table on the left shows the earnings plan for the interim or convergence phase FY27FC to FY34FC.

1 Throughout the convergence phase, the revenue of the business segments gradually approaches the equilibrium state of sustainable earnings.

This adjustment is based on a development of expected price increases and sales volumes in the business segments and target markets. The corresponding assumptions are described on the following page.

Overall, revenue in the interim phase grows from EUR 250.1m in FY27FC to EUR 297.4m in FY34FC. The annual growth rates are continuously declining as va-Q-tec reaches its market and capacity limits.

Determination of sustainable earnings

Earnings forecast per business segment, interim phase FY27FC to FY34FC

Currency: EURm	FY27FC	FY28FC	FY29FC	FY30FC	FY31FC	FY32FC	FY33FC	FY34FC
Products	47.7	48.5	49.2	49.9	50.7	51.4	52.2	53.0
TEnEff	**47.7**	**48.5**	**49.2**	**49.9**	**50.7**	**51.4**	**52.2**	**53.0**
Systems	86.8	93.7	95.1	96.5	98.0	99.4	100.9	102.4
Services	114.3	118.5	122.1	127.2	131.9	135.6	138.4	140.5
TempChain	**201.1**	**212.2**	**217.2**	**223.7**	**229.8**	**235.0**	**239.3**	**242.9**
Other	**1.3**	**1.3**	**1.4**	**1.4**	**1.4**	**1.4**	**1.4**	**1.5**
Group (cons.)	**250.1**	**262.0**	**267.7**	**275.0**	**281.9**	**287.8**	**293.0**	**297.4**
Revenue growth:								
TEnEff	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*	*1.5%*
TempChain	*7.7%*	*5.6%*	*2.3%*	*3.0%*	*2.8%*	*2.2%*	*1.9%*	*1.5%*
Group	*6.4%*	*4.8%*	*2.2%*	*2.7%*	*2.5%*	*2.1%*	*1.8%*	*1.5%*

Source: Management information, EY analysis

Revenue by business segment from FY27FC to FY34FC

In the TEnEff business segment, revenues are projected to increase by 1.5% annually from FY27FC onwards. Volume growth can no longer be achieved with the production capacities available at the end of the detailed planning period FY26FC, as the remaining capacities are to be used for growth in the segment TempChain, Boxes.

The TempChain business segment is expected to reach equilibrium state by FY34FC. Prices can be assumed to increase by 1.5% annually during the interim period. In addition, the company also assumes that the number of rentals can still be expanded in the rental business for containers. This is due, among other things, to the more efficient use of the container fleet by reducing "relocation" or empty trips. In the area of box sales and rental, a further but steadily declining growth in volume is expected for a transitional period of 3 years. The growth in volume is reaching its limits here, on the one hand due to limited production capacities and on the other hand due to the high market share that va-Q-tec has in the relevant sales markets.

Revenues in the Other business segment will also increase by 1.5% annually from FY27A onwards, based on company-specific price increases.

The considered, expertly rounded price growth of 1.5% p.a. is derived from company-specific price increase.

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Earnings forecast interim phase FY27FC to FY34FC

Currency: EURm		FY27FC	FY28FC	FY29FC	FY30FC	FY31FC	FY32FC	FY33FC	FY34FC
Revenue	1	250.1	262.0	267.7	275.0	281.9	287.8	293.0	297.4
Cost of materials and services	2	(89.8)	(93.9)	(95.8)	(98.3)	(100.7)	(102.8)	(104.6)	(106.2)
Gross profit		**160.3**	**168.2**	**171.9**	**176.6**	**181.2**	**185.0**	**188.4**	**191.2**
Personnel expenses	3	(67.5)	(69.8)	(70.9)	(72.3)	(73.7)	(74.8)	(75.7)	(76.6)
Other operating income	4	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3
Other operating expenses	4	(30.2)	(30.7)	(31.1)	(31.6)	(32.1)	(32.5)	(33.0)	(33.5)
EBITDA		**63.7**	**68.8**	**71.0**	**73.9**	**76.7**	**79.0**	**80.9**	**82.4**
Depreciation	5	(23.4)	(22.9)	(22.5)	(22.8)	(23.0)	(24.3)	(25.3)	(25.8)
EBIT		**40.3**	**45.9**	**48.5**	**51.1**	**53.7**	**54.6**	**55.5**	**56.6**
Net financial result	6	(1.5)	(1.7)	(1.7)	(1.7)	(1.9)	(2.0)	(2.4)	(2.7)
EBT		**38.8**	**44.2**	**46.7**	**49.4**	**51.9**	**52.7**	**53.2**	**53.9**
Income taxes	7	(9.5)	(11.0)	(11.7)	(12.3)	(12.9)	(13.1)	(13.3)	(13.5)
Group earnings		**29.3**	**33.1**	**35.1**	**37.0**	**38.9**	**39.5**	**39.9**	**40.5**
Key performance indicators:									
Revenue growth		*6.4%*	*4.8%*	*2.2%*	*2.7%*	*2.5%*	*2.1%*	*1.8%*	*1.5%*
Gross profit margin		*64.1%*	*64.2%*	*64.2%*	*64.2%*	*64.3%*	*64.3%*	*64.3%*	*64.3%*
EBITDA margin		*25.5%*	*26.3%*	*26.5%*	*26.9%*	*27.2%*	*27.4%*	*27.6%*	*27.7%*
EBIT margin		*16.1%*	*17.5%*	*18.1%*	*18.6%*	*19.1%*	*19.0%*	*19.0%*	*19.0%*

Source: Management information, EY analysis

2 The cost of materials has been projected based on the planned revenue shares of TEnEff and TempChain. As the value contribution of the TempChain business segment is assumed to continue increasing during the forecast period, there will be a slight overall improvement in the gross profit margin at the company level.

3 The growth in personnel expenses during the interim period will be less than the growth in revenue. The company's efforts will focus on increasing automation in production. At the same time, further investment in personnel is required in order to maintain a leading position in the insulation industry in the future in the field of innovative insulation solutions.

4 Other operating income and expenses have been projected with a price increase rate of 1.5%. In addition, starting from FY27FC, other operating income will include rental income and subsidies from the government. Rental income is generated from subleasing a hall at va-Q-tec's headquarters and office space in Heuchelhof, Würzburg. The corresponding contracts expire in FY26FC. Afterwards, the hall and office space will be used for operational purposes again. Income from the dissolution of government subsidies in previous years resulted from investment subsidies received by the company between 2017 and 2021.

Determination of sustainable earnings

Earnings forecast interim phase FY27FC to FY34FC

Currency: EURm		FY27FC	FY28FC	FY29FC	FY30FC	FY31FC	FY32FC	FY33FC	FY34FC
Revenue	1	250.1	262.0	267.7	275.0	281.9	287.8	293.0	297.4
Cost of materials and services	2	(89.8)	(93.9)	(95.8)	(98.3)	(100.7)	(102.8)	(104.6)	(106.2)
Gross profit		**160.3**	**168.2**	**171.9**	**176.6**	**181.2**	**185.0**	**188.4**	**191.2**
Personnel expenses	3	(67.5)	(69.8)	(70.9)	(72.3)	(73.7)	(74.8)	(75.7)	(76.6)
Other operating income	4	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3
Other operating expenses	4	(30.2)	(30.7)	(31.1)	(31.6)	(32.1)	(32.5)	(33.0)	(33.5)
EBITDA		**63.7**	**68.8**	**71.0**	**73.9**	**76.7**	**79.0**	**80.9**	**82.4**
Depreciation	5	(23.4)	(22.9)	(22.5)	(22.8)	(23.0)	(24.3)	(25.3)	(25.8)
EBIT		**40.3**	**45.9**	**48.5**	**51.1**	**53.7**	**54.6**	**55.5**	**56.6**
Net financial result	6	(1.5)	(1.7)	(1.7)	(1.7)	(1.9)	(2.0)	(2.4)	(2.7)
EBT		**38.8**	**44.2**	**46.7**	**49.4**	**51.9**	**52.7**	**53.2**	**53.9**
Income taxes	7	(9.5)	(11.0)	(11.7)	(12.3)	(12.9)	(13.1)	(13.3)	(13.5)
Group earnings		**29.3**	**33.1**	**35.1**	**37.0**	**38.9**	**39.5**	**39.9**	**40.5**
Key performance indicators:									
Revenue growth		*6.4%*	*4.8%*	*2.2%*	*2.7%*	*2.5%*	*2.1%*	*1.8%*	*1.5%*
Gross profit margin		*64.1%*	*64.2%*	*64.2%*	*64.2%*	*64.3%*	*64.3%*	*64.3%*	*64.3%*
EBITDA margin		*25.5%*	*26.3%*	*26.5%*	*26.9%*	*27.2%*	*27.4%*	*27.6%*	*27.7%*
EBIT margin		*16.1%*	*17.5%*	*18.1%*	*18.6%*	*19.1%*	*19.0%*	*19.0%*	*19.0%*

Source: Management information, EY analysis

5 The development of depreciation during the interim period follows the development of the fixed assets, which will only be affected by minor growth capital expenditures in the box fleet during the first two years of the interim period. Accordingly, depreciation will steadily decrease from EUR 23.4m in FY27FC to EUR 22.8m in FY30FC. The subsequent increase in depreciation from FY31FC is mainly due to maintenance capital expenditures in the container fleet, which are based on the age of the containers in stock.

6 The financial result is based on existing bond liabilities, loans, and overdrafts, taking into account the contractual interest and repayment agreements. For valuation purposes, the additional liquidity from the capital increase in July 2023 was used for fictitious special repayments of existing financial liabilities. It was assumed that loans with the highest interest rates would be repaid first. For necessary refinancing, an annual interest rate of 4.94% was assumed. The interest rate is based on the analysis of va-Q-tec's rating, which ranges between BBB and BB, taking into account the capital increase. With an average loan term of about 8 years, the average interest rate is 4.94% p.a. The assumed refinancing will be necessary to finance the planned maintenance capital expenditures and also enable the fictitious allocation of retained earnings to shareholders.

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Determination of sustainable earnings

Earnings forecast interim phase FY27FC to FY34FC

Currency: EURm		FY27FC	FY28FC	FY29FC	FY30FC	FY31FC	FY32FC	FY33FC	FY34FC
Revenue	1	250.1	262.0	267.7	275.0	281.9	287.8	293.0	297.4
Cost of materials and services	2	(89.8)	(93.9)	(95.8)	(98.3)	(100.7)	(102.8)	(104.6)	(106.2)
Gross profit		**160.3**	**168.2**	**171.9**	**176.6**	**181.2**	**185.0**	**188.4**	**191.2**
Personnel expenses	3	(67.5)	(69.8)	(70.9)	(72.3)	(73.7)	(74.8)	(75.7)	(76.6)
Other operating income	4	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3
Other operating expenses	4	(30.2)	(30.7)	(31.1)	(31.6)	(32.1)	(32.5)	(33.0)	(33.5)
EBITDA		**63.7**	**68.8**	**71.0**	**73.9**	**76.7**	**79.0**	**80.9**	**82.4**
Depreciation	5	(23.4)	(22.9)	(22.5)	(22.8)	(23.0)	(24.3)	(25.3)	(25.8)
EBIT		**40.3**	**45.9**	**48.5**	**51.1**	**53.7**	**54.6**	**55.5**	**56.6**
Net financial result	6	(1.5)	(1.7)	(1.7)	(1.7)	(1.9)	(2.0)	(2.4)	(2.7)
EBT		**38.8**	**44.2**	**46.7**	**49.4**	**51.9**	**52.7**	**53.2**	**53.9**
Income taxes	7	(9.5)	(11.0)	(11.7)	(12.3)	(12.9)	(13.1)	(13.3)	(13.5)
Group earnings		**29.3**	**33.1**	**35.1**	**37.0**	**38.9**	**39.5**	**39.9**	**40.5**
Key performance indicators:									
Revenue growth		*6.4%*	*4.8%*	*2.2%*	*2.7%*	*2.5%*	*2.1%*	*1.8%*	*1.5%*
Gross profit margin		*64.1%*	*64.2%*	*64.2%*	*64.2%*	*64.3%*	*64.3%*	*64.3%*	*64.3%*
EBITDA margin		*25.5%*	*26.3%*	*26.5%*	*26.9%*	*27.2%*	*27.4%*	*27.6%*	*27.7%*
EBIT margin		*16.1%*	*17.5%*	*18.1%*	*18.6%*	*19.1%*	*19.0%*	*19.0%*	*19.0%*

Source: Management information, EY analysis

7 The income taxes during the interim period are the result of the tax calculation at the legal entity level. In FY27FC, the tax loss carryforwards accumulated during the detailed planning period will be used for the last time at the va-Q-tec level (*). Accordingly, the tax rate increases from 19.8% in the last year of detailed planning, FY26FC, to 24.6% in FY27FC. From FY28FC onwards, the Group tax rate is 25.0%.

It is also expected that va-Q-tec can realize further growth potentials during the interim period from FY27FC to FY34FC. A continuous increase in EBITDA and EBIT margins is planned until FY34FC, with these margins reaching their respective peak values of 27.7% and 19.0%.

An increase in Group net income from EUR 29.3m in FY27FC to EUR 40.5m in FY34FC is expected.

* Tax loss carryforwards existing as of 31 December 2023, were taken into account separately as special values in the context of the valuation.

Determination of sustainable earnings

Determination of sustainable earnings

Currency: EURm	TV
Revenue	301.8
EBITDA	**83.6**
Depreciation	(27.5)
EBIT	**56.2**
Interest result	(2.9)
EBT	**53.2**
Income taxes	(13.3)
Group earnings	**39.9**
Key performance indicators:	
EBITDA margin	*27.7%*
EBIT margin	*18.6%*

Source: EY analysis

Sustainable earnings / Terminal Value (TV)

The terminal value applied following the detailed planning period and the interim period is intended to reflect a long-term earnings level that can be achieved on average over boom and recession phases. For the fiscal year FY35FC onwards (Phase II), we have applied a result that we consider to be sustainably achievable on average over the long term.

We derived the revenue level for the fiscal year FY35FC onwards based on the FY34FC revenue level, taking into account a growth rate of 1.5%. This results in a terminal value revenue level of EUR 301.8m (see table).

In determining the sustainable EBITDA margin, we derived a cross-cycle EBITDA margin based on the FY34FC fiscal year of around 27.7%. This period takes into account both economic booms and recessions.

The expected long-term reinvestment rate (reinvestment as a percentage of revenue) was set based on management estimates and own analysis of the expected sustainable reinvestment needs (excluding growth capital expenditures). For capital expenditures, an eight-year reinvestment cycle is assumed from FY35FC onwards. We have set depreciation as the present value of this investment cycle.

This results in a cross-cycle, sustainable EBIT margin of around 18.6%.

The determination of the sustainable financial result takes into account the financing situation at the end of the interim period and the expected development of financing conditions.

The calculation of the tax expense was analogous to the calculation in the detailed planning and interim periods, based on country-specific tax rates.

Determination of earnings to be capitalized

Distribution potential and attributable earnings

Profit distribution

Profit distribution assumptions regarding the use of the funds generated by va-Q-tec's planned activities are necessary for both the detailed planning phase and the terminal value. In addition to company-specific financing requirements, particular attention must be paid to legal regulations concerning the formation of reserves (Sec. 272 (2) no. 1 to 3 HGB) as well as regulations on so-called distribution locks, e.g. with regard to self-created intangible assets in fixed assets (Sec. 268 (8) HGB).

In the literature, dividend payout ratios of 40% to 60% for DAX and MDAX companies have repeatedly been stated for the past (see Wagner et al.: " Weiterentwicklung der Grundsätze der Unternehmensbewertung ", WPg 2004, No. 17, pp. 889-906; WPH Edition - Bewertung und Transaktionsberatung, IDW Verlag 2018, p. 98, para. 280; Schultze/Fischer: " Ausschüttungsquoten, kapitalwertneutrale Wiederanlage und Vollausschüttungsannahme – Eine kritische Analyse der Wertrelevanz des Ausschüttungsverhaltens im Rahmen der objektivierten Unternehmensbewertung ", WPG 2013, pp. 421-435 with further references). However, industry- and company-specific factors must be taken into account.

In the past, va-Q-tec did not make any profit distributions to its shareholders. Due to the financial and operational situation of the va-Q-tec Group, we have assumed a flat payout ratio of 50% of the Group net income for valuation purposes in the fiscal years FY26FC to FY34FC and the terminal value. The payout ratio was established based on the observable average dividend payout ratio of 50% for DAX and MDAX companies.

The profit distributions were reduced by personal income taxes in the amount of the final withholding tax including solidarity surcharge of a total of 26.375%.

Retention of earnings

For the fiscal years FY23FC to FY25FC, full retention of the respective Group net income (profit retention) was assumed. These retained amounts correspond in total to the accumulated tax loss carryforwards of the va-Q-tec Group and represent the necessary operating funds required to finance capital expenditures for further planned growth.

For the fiscal years FY26FC to FY34FC and terminal value, the retained earnings (after taxes) were included as a value contribution from retention in the determination of the earnings to be capitalized and thus increasing the business value. The corresponding value contributions are fictitiously attributed directly to the shareholders of va-Q-tec. In the fiscal year FY26FC, the directly attributable retained earnings amounting to EUR 13.3m were reduced by EUR 1.1m to offset the tax loss carryforwards from previous years existing at that time.

Due to the introduction of the flat withholding tax system, the value contribution from reinvestments (price growth) can only be theoretically received tax-free by the shareholder through infinitely long participation in the company's success (completely tax-free). Possibilities of tax-free collection, such as through share buyback programs or through sale of shares under the half-income method, are no longer possible due to the elimination of tax exemption for capital gains on share acquisitions from 1 January 2009. This qualitative change must be taken into account in the valuation calculation. Since sustainable growth of financial surpluses causes capital gains, it must be reduced by the tax consequences of capital gains taxation upon sale.

Determination of earnings to be capitalized

Determination of value contribution from profit retention and personal income tax on profit retention in the terminal value

Currency: EURm	TV
Profit retention	20.0
less growth-related retention	(1.5)
Value contribution through profit retention	**18.4**
add inflation-related increase in value	6.2
Tax base profit retention	**24.6**
Pers. tax rate	13.19%
Pers. income tax on profit retention	**(3.2)**

Source: EY analysis

If the growth attributable to retained earnings is fictitiously allocated, both the inflation- or quantity-related growth and the fictitiously allocated amount are subject to personal income taxes (see WP Handbook 2008, “Wirtschaftsprüfung, Rechnungslegung, Beratung“, Volume II, 13th edition, p. 119, para. 326). In the valuation, this is reflected by a standardized income tax rate. Accordingly, based on the research of Wagner/Saur/Willershausen (see Wagner/Saur/Willershausen: “Zur Anwendung der Unternehmensbewertungsgrundsätze des IDW S 1 in der Praxis“, WPg 2008, Issue 16, pp. 731-747), an income tax rate equal to half of the capital gains tax rate including solidarity surcharge, or around 13.19%, was assumed.

Taking into account the dividends and the fictitious allocation of retained earnings, the discounted result for the fiscal years FY23FC to FY34FC is shown in the table below. The derivation of the value contribution from retained earnings and the personal income tax in the terminal value is shown in the table next to it.

Determination of earnings to be discounted

	Detailed forecasted period				Interim phase								Terminal value
Currrency: EURm	**FY23FC**	**FY24FC**	**FY25FC**	**FY26FC**	**FY27FC**	**FY28FC**	**FY29FC**	**FY30FC**	**FY31FC**	**FY32FC**	**FY33FC**	**FY34FC**	**TV**
Group earnings	**0.4**	**9.7**	**18.1**	**26.7**	**29.3**	**33.1**	**35.1**	**37.0**	**38.9**	**39.5**	**39.9**	**40.5**	**39.9**
Profit retention	(0.4)	(9.7)	(18.1)	(13.4)	(14.6)	(16.6)	(17.5)	(18.5)	(19.5)	(19.8)	(19.9)	(20.2)	(20.0)
Distribution	**-**	**-**	**-**	**13.4**	**14.6**	**16.6**	**17.5**	**18.5**	**19.5**	**19.8**	**19.9**	**20.2**	**20.0**
Pers. income tax on distribution	-	-	-	(3.5)	(3.9)	(4.4)	(4.6)	(4.9)	(5.1)	(5.2)	(5.3)	(5.3)	(5.3)
Value contribution through profit retention	-	-	-	12.5	14.6	16.6	17.5	18.5	19.5	19.8	19.9	20.2	18.4
Pers. income tax on value contribution through profit retention	-	-	-	(1.6)	(1.9)	(2.2)	(2.3)	(2.4)	(2.6)	(2.6)	(2.6)	(2.7)	(3.2)
Earnings to be discounted	**-**	**-**	**-**	**20.7**	**23.5**	**26.6**	**28.1**	**29.7**	**31.2**	**31.7**	**32.0**	**32.5**	**29.9**

Source: Management information, EY analysis

Determination of the capitalization rate

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Determination of the capitalization rate

The capitalization rate represents the return on alternative investments. In the income approach, where a profit or dividend available to equity holders is discounted, the cost of equity capital must be determined taking into account the period-specific capital structure. For the methodological approach to the capitalization discount rate, please refer to our explanations in Appendix A.

The table below shows the calculation of the cost of equity based on individual components.

Determination of the capitalization rate FY23FC to FY34FC and terminal value

	Detailed planning period				Interim phase								Terminal value
	FY23FC	FY24FC	FY25FC	FY26FC	FY27FC	FY28FC	FY29FC	FY30FC	FY31FC	FY32FC	FY33FC	FY34FC	TV
Base interest rate after pers. Income tax	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
Market risk premium after pers. Income tax	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
Beta unlevered	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
Beta relevered	1.11	1.20	1.19	1.16	1.17	1.17	1.17	1.16	1.17	1.17	1.18	1.19	1.20
Cost of equity after pers. income tax	**8.21%**	**8.73%**	**8.69%**	**8.52%**	**8.57%**	**8.56%**	**8.54%**	**8.52%**	**8.54%**	**8.56%**	**8.64%**	**8.69%**	**8.72%**
Growth discount	-	-	-	-	-	-	-	-	-	-	-	-	-1.50%
Cost of equity after pers. income tax and growth discount	**8.21%**	**8.73%**	**8.69%**	**8.52%**	**8.57%**	**8.56%**	**8.54%**	**8.52%**	**8.54%**	**8.56%**	**8.64%**	**8.69%**	**7.22%**

Source: EY analysis

Base interest rate

Based on data from the Deutsche Bundesbank, a base interest rate of approximately 2.50% before personal income tax was determined at the conclusion of the valuation work, according to the Svensson method deemed appropriate by the IDW. Taking into account the flat withholding tax rate of 25.00% and solidarity surcharge of 5.50%, this resulted in a base interest rate of 1.84% after taxes. The base interest rate before personal income tax was determined as the average interest rate for the months of May to June 2023 (for further details, see our explanations in Appendix A).

Market risk premium

The market risk premium after personal income tax was set at 5.75%, i.e., based on the average recommendation of FAUB (see "New Capital Cost Recommendation of FAUB 25 October 2019" published on 25 October 2019 on the IDW homepage). For further details, please refer to our explanations in Appendix A.

Determination of the capitalization rate

Unlevered beta factor va-Q-tec AG share

	Performance index	8 Dec. 2022	30 June 2023
2-year period (regression based on weekly share prices)	CDAX	1.23	0.86
5-year period (regression based on monthly share prices)	CDAX	1.81	1.64

Source: Capital IQ, EY analysis

Beta factor

In general, beta factors are obtained as market-based as possible using historical price data and regression analysis. If the company being valued is publicly traded, its own beta factor can be used under certain circumstances.

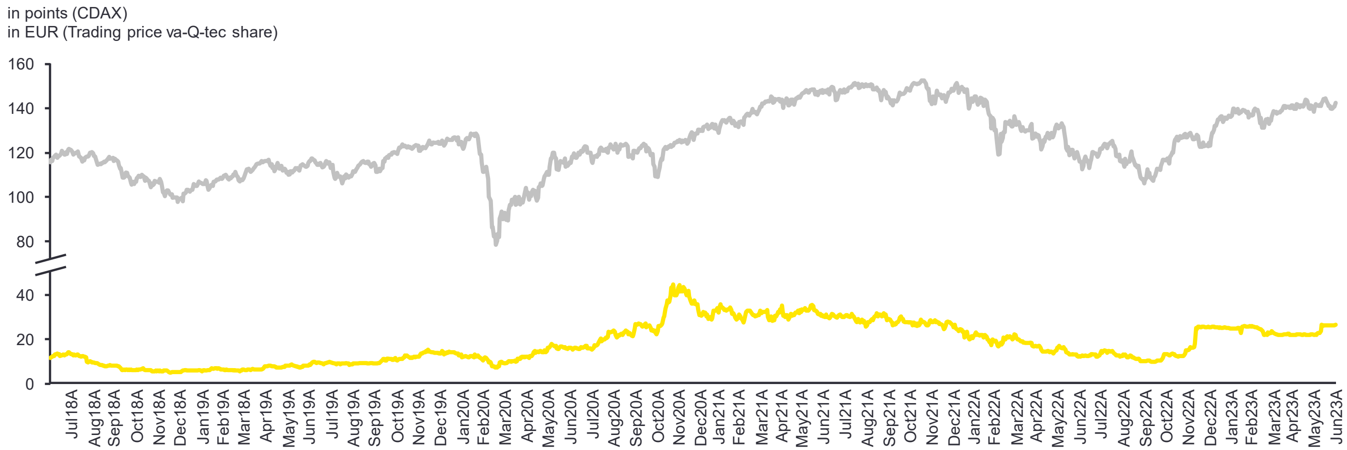
As of 8 December 2022, prior to the announcement of the corporate measure, va-Q-tec had a beta factor of 1.23 over a period of 2 years and 1.81 over a period of 5 years (see table on the left).

From the announcement of the corporate measure on 9 December 2022, the price development of va-Q-tec share was characterized by speculation, and a decoupling of the va-Q-tec share price development and the CDAX was observed.

While the CDAX has been subject to strong fluctuations since that time, the share price of va-Q-tec has shown a largely detached, linear development. This is evident from a very low correlation between va-Q-tec share and the CDAX in the two-year period ending 30 June 2023 (July 2021 to June 2023) of 0.32 (coefficient of determination of 0.11).

The correlation in the five-year period ending 30 June 2023 (July 2018 to June 2023) shows a moderate value of 0.54. The coefficient of determination is 0.29.

Determination of va-Q-tec share and CDAX from July 2018 to June 2023



Source: CIQ, EY analysis — va-Q-tec AG — CDAX performance index (scaled by a factor of 0.1 for presentation purposes)

Determination of the capitalization rate

Unlevered beta factor va-Q-tec AG share

	Performance index	8 Dec. 2022	30 June 2023
2-year period (regression based on weekly share prices)	CDAX	1.23	0.86
5-year period (regression based on monthly share prices)	CDAX	1.81	1.64

Source: Capital IQ, EY analysis

A measurement of va-Q-tec share's systematic risk is only meaningful based on statistical values over a five-year period. However, due to the divergence of the CDAX and va-Q-tec share, even the use of the va-Q-tec share's five-year beta factor appears only partially suitable.

According to jurisdiction, the company's own beta factor based on historically observed prices in the period after the announcement of the structural measure is considered unsuitable (Federal court of justice v. 19.7.2010 - 11 ZB 18/09, AG 2010, 629 (p. 629 et seq.). Instead, it is required that the measurement period for determining the company's own beta factor must end on the day of the announcement (Higher Regional Court Karlsruhe v. 13.5.2013 — 12 W 77/07, juris Rz. 36; Higher Regional Court Frankfurt a.M. v. 30.8.2012 -21 W 14/11, juris Rz. 80.)

Due to the period between the announcement of the structural measure (9 December 2022) and the general meeting in which the structural measure is to be voted on (29 August 2023) of approximately 9 months and the generally required reference date consideration, the beta factor was therefore determined based on a group of comparable companies (peer group) at the time of the preparation of the expert opinion.

Determination of the capitalization rate

Unlevered beta factor peer group

Company	Performance index	Unleveraged beta factor (2 years weekly. returns)*	Unleveraged beta factor (5 years monthly returns)*
Aspen Aerogels, Inc.	S&P 500	1.94	1.95
Azenta, Inc.	S&P 500	1.60	1.48
BEWi ASA	Oslo OBX	0.72	n.a.
BioLife Solutions, Inc.	S&P 500	2.28	1.71
Byucksan Corporation	STOXX South Korea	0.68	1.00
Carrier Global Corporation	S&P 500	1.00	n.a.
Cryoport, Inc.	S&P 500	1.99	1.09
DSV A/S	Copenhagen KAX	1.09	1.23
Eckert & Ziegler Strahlen- und Medizintechnik AG	CDAX	1.18	1.08
IMCD N.V.	Amsterdam AEX	1.25	1.09
Medios AG	CDAX	0.79	1.12
Recticel SA/NV	STOXX Belgium	0.83	0.97
Sartorius Aktiengesellschaft	CDAX	0.97	0.60
Sonoco Products Company	S&P 500	0.59	0.51
STEICO SE	CDAX	1.31	0.96
Von Roll Holding AG	Swiss Performance	1.30	0.89
Median		**1.13**	**1.08**

* At a significance level of 1%; n.a. stands for non-significant value.

Source: Capital IQ, EY analysis

The table on the left shows the unlevered beta factors determined by regression.

The selection of the comparable companies was based on international, publicly traded companies that are comparable to va-Q-tec in terms of their systematic risk. A description of the peer group companies is included in Appendix B.

To determine the peer group beta factors, we used stock returns over a five-year period on a monthly basis as of 30 June 2023.

The operational business orientation of va-Q-tec shows that period-dependent distortions (e.g. due to the Covid-19 pandemic) cannot be ignored. Against this background, the beta factors derived on the basis of five-year observation periods offer the best explanatory power for approximating and representing the company-specific business risk of va-Q-tec.

The so-called levered beta factors were calculated from the regression against the respective broadest national country indices (performance indices). The levered beta factors of the individual peer group companies were transformed into unlevered beta factors taking into account the average debt ratio and tax rate over the regression period.

The median of the unlevered peer group beta factors for the five-year period is 1.08. We have used this beta factor, rounded to two decimal places, for the valuation.

The additional investigation over a two-year period leads to a slightly higher beta factor.

Determination of the capitalization rate

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Unlevered beta factor peer group

Company	Performance index	Unleveraged beta factor (2 years weekly. returns)*	Unleveraged beta factor (5 years monthly returns)*
Aspen Aerogels, Inc.	S&P 500	1.94	1.95
Azenta, Inc.	S&P 500	1.60	1.48
BEWi ASA	Oslo OBX	0.72	n.a.
BioLife Solutions, Inc.	S&P 500	2.28	1.71
Byucksan Corporation	STOXX South Korea	0.68	1.00
Carrier Global Corporation	S&P 500	1.00	n.a.
Cryoport, Inc.	S&P 500	1.99	1.09
DSV A/S	Copenhagen KAX	1.09	1.23
Eckert & Ziegler Strahlen- und Medizintechnik AG	CDAX	1.18	1.08
IMCD N.V.	Amsterdam AEX	1.25	1.09
Medios AG	CDAX	0.79	1.12
Recticel SA/NV	STOXX Belgium	0.83	0.97
Sartorius Aktiengesellschaft	CDAX	0.97	0.60
Sonoco Products Company	S&P 500	0.59	0.51
STEICO SE	CDAX	1.31	0.96
Von Roll Holding AG	Swiss Performance	1.30	0.89
Median		**1.13**	**1.08**

* At a significance level of 1%; n.a. stands for non-significant value.

Source: Capital IQ, EY analysis

In a next step, we adjusted the (unlevered) beta factor determined on the basis of the peer group to va-Q-tec's individual financing and capital structure expected at the time of valuation and in the planning for the respective period by way of the so-called "re-levering". This resulted in a period-specific beta factor adjusted for capital structure risks of between 1.11 and 1.20 for the detailed planning and interim phases FY23FC to FY34FC. For the years from FY35FC onwards, this results in a debt-specific beta factor of 1.20.

Growth rate

In the case of va-Q-tec, it was not necessary to recognize a growth discount for the detailed planning years FY23FC to FY26FC and the interim phase FY27FC to FY34FC because the revenues and expenses were planned in nominal terms.

For the terminal value from FY35FC onwards, a growth discount of 1.5% was applied and technically deducted from the capitalization rate. This is derived from the company-specific price increase rate, which takes into account both expected cost increases and sustainable expected efficiency improvements. The growth discount thus assumes that va-Q-tec's withdrawable surpluses will grow sustainably, taking into account the development of earnings and costs.

Determination of capitalized earnings

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Determination of capitalized earnings

The income value of va-Q-tec was determined on the basis of the planned results for the detailed planning period FY23FC to FY26FC, the convergence phase FY27FC to FY34FC, and the terminal value from FY35FC onwards. With regard to the calculated Group net income, it was assumed that this would be retained in full in the fiscal years FY23FC to FY25FC. From FY26FC and in the terminal value, half is assumed to be distributed and half retained (see page 70 for further explanations). The planned distribution amounts have been reduced in each case by personal taxes in the amount of the final withholding tax including solidarity surcharge totaling 26.375%.

Furthermore, the retained profits in the detailed planning period from FY26 FC onwards (with the exception of the operationally necessary retention of EUR 0.9m in FY26 FC) and the terminal value after deduction of half of the personal taxes have been shown in the discounted earnings as value contribution through retention from retained earnings. The net income to be discounted is the sum of the distributions reduced by personal taxes and the value added from retained earnings reduced by personal taxes (see page 70). Discounting was performed using period-specific costs of equity (see page 71).

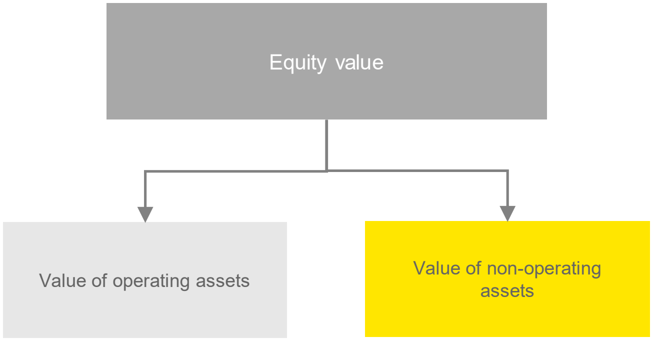
The capitalized earnings value as of 1 January 2023 was discounted to the valuation date using the cost of equity by 241 days to the date of the annual general meeting passing the resolution. On this basis, the capitalized earnings value for va-Q-tec as of 29 August 2023 is EUR 301.6m.

Determination of capitalized earnings

Currency: EURm	FY23FC	FY24FC	FY25FC	FY26FC	FY27FC	FY28FC	FY29FC	FY30FC	FY31FC	FY32FC	FY33FC	FY34FC	TV
Group earnings	0.4	9.7	18.1	26.7	29.3	33.1	35.1	37.0	38.9	39.5	39.9	40.5	39.9
Profit retention	(0.4)	(9.7)	(18.1)	(13.4)	(14.6)	(16.6)	(17.5)	(18.5)	(19.5)	(19.8)	(19.9)	(20.2)	(20.0)
Distribution	**-**	**-**	**-**	**13.4**	**14.6**	**16.6**	**17.5**	**18.5**	**19.5**	**19.8**	**19.9**	**20.2**	**20.0**
Pers. income tax on distribution	-	-	-	(3.5)	(3.9)	(4.4)	(4.6)	(4.9)	(5.1)	(5.2)	(5.3)	(5.3)	(5.3)
Value contribution through profit retention	-	-	-	12.5	14.6	16.6	17.5	18.5	19.5	19.8	19.9	20.2	18.4
Pers. income tax on value contribution through profit retention	-	-	-	(1.6)	(1.9)	(2.2)	(2.3)	(2.4)	(2.6)	(2.6)	(2.6)	(2.7)	(3.2)
Earnings to be discounted	**-**	**-**	**-**	**20.7**	**23.5**	**26.6**	**28.1**	**29.7**	**31.2**	**31.7**	**32.0**	**32.5**	**29.9**
Cost of equity	8.21%	8.73%	8.69%	8.52%	8.57%	8.56%	8.54%	8.52%	8.54%	8.56%	8.64%	8.69%	7.22%
Discounting factor	0.9241	0.9197	0.9200	0.9215	0.9211	0.9212	0.9213	0.9215	0.9213	0.9212	0.9205	0.9200	13.8523
Capitalized earnings value at the beginning of the period	**286.3**	**309.8**	**336.9**	**366.2**	**376.7**	**385.5**	**392.0**	**397.3**	**401.5**	**404.6**	**407.5**	**410.7**	**413.9**
Capitalized earnings value as of 1 January 2023	**286.3**												
Discounting by 241 days to 29 August 2023	15.3												
Capitalized earnings value as of 29 August 2023	**301.6**												

Source: Management information, EY analysis

Assets to be valued separately



Source: EY Presentation

Non-operating assets/special values

- The capitalized earnings value of the subject company only reflects the value of the operating assets.
- The valuation has to be supplemented if the company has non-operating assets at its disposal.

Special values and non-operating assets

Special values are assets required for operations that are not included in the calculation of the capitalized earnings value and are therefore valued separately.

In accordance with IDW S 1, non-operating assets are assets that can be freely disposed of without affecting the actual operation of the company and must be valued separately.

The value of special values and non-operating assets is added to the capitalized earnings value to determine the enterprise value of va-Q-tec in accordance with IDW S 1.

As part of the valuation of va-Q-tec, the following special values and non-operating assets identified in consultation with management were taken into account in addition to the determination of the capitalized earnings value of the operating activities:

- the tax loss carryforwards of va-Q-tec,
- the tax loss carryforwards of the va-Q-tec foreign companies,
- the tax-recognized contribution account [steuerliches Einlagekonto] of va-Q-tec,
- the investment in SUMTEC GmbH,
- the investment in ING3D GmbH,
- the "investment property" reported in the Group financial statements as of 31 December 2022,
- and a reserve area at the Kölleda site.

Special values

Tax loss carryforwards of va-Q-tec

As of 31 December 2022, va-Q-tec has trade tax and corporate income tax loss carryforwards of approximately EUR 28.0m and EUR 28.6m, respectively. The corresponding tax benefit was determined taking into account the forecast earnings development for va-Q-tec for the individual planning years and discounted to the valuation date.

The value of tax loss carryforwards as of 29 August 2023 amounts to EUR 5.3m.

Assets to be valued separately

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Tax loss carryforwards of va-Q-tec foreign subsidiaries as of 31 December 2022

Currency: EURm		FY22A
va-Q-tec Inc.	USA	2.4
va-Q-tec Uruguay S.A.	Uruguay	1.3
va-Q-tec SG PTE. Ltd.	Singapore	1.1
va-Q-tec India Ltd.	India	0.3
va-Q-tec Shanghai Ltd.	China	0.2
va-Q-tec do Brasil Ltda.	Brazil	0.3
va-Q-tec Austria GmbH	Austria	0.0

Source: Management information

Tax loss carryforwards of va-Q-tec foreign subsidiaries

As of 31 December 2022, the va-Q-tec foreign companies have the loss carryforwards shown in the adjacent table.

The resulting tax savings were determined taking into account the forecast earnings development for the respective foreign companies for the planning years and discounted to the valuation date.

The total value of tax loss carryforwards across all foreign companies as of 29 August 2023 amounts to EUR 0.7m.

Tax-recognized contribution account [steuerliches Einlagekonto] of va-Q-tec

Furthermore, the present value of the tax benefit from the tax-recognized contribution account was taken into account.

According to the assessment notice, the tax-recognized contribution account amounted to EUR 50.4m as of 31 December 2020. The corresponding balance increased in connection with the capital increase carried out on 15 November 2021 and the issue of 325,498 new registered no-par value shares with a notional share in the share capital of EUR 1.00 each in the amount of the premium paid in when the new shares were issued. The increase amounted to EUR 8.2m and changed the balance to (extrapolated) EUR 58.6m. Since then, va-Q-tec's tax-recognized contribution account has remained arithmetically unchanged until 31 December 2022.

With the capital increase executed on 11 July 2023 and the issuance of 1,341,500 new no-par value registered shares with a representing a portion of the share capital of EUR 1.00 each, a further change in the balance of the tax-recognized contribution account in the amount of the share premium paid in there occurred. Due to this increase of EUR 33.5m, the (extrapolated) balance increased to EUR 92.1m.

For tax purposes, dividends in excess of the distributable profit are treated as a return of capital contributions and are not subject to withholding tax. In the present case, the planned annual distributions do not exceed the distributable profit for tax purposes. Thus, from a tax perspective, no distributions are made from the tax-recognized contribution account. Therefore, no value contribution or additional special value results from the tax-recognized contribution account.

Assets to be valued separately

Investment in SUMTEQ GmbH

As of the valuation date, va-Q-tec holds a strategic stake in the Düren-based company SUMTEQ GmbH. SUMTEQ GmbH produces "Sumfoam", a manufacturing material made of foamed polymer with a nanoporous structure with exceptional thermal insulation performance. The purpose of this participation is the market launch of sub-microscopic foams as another high-performance insulating material and an exchange of specialist skills in research and development.

In the context of a capital measure under negotiation as of Dec22A, a fair value measurement of the investment in the amount of approximately EUR 3.4m (compared to EUR 3.0m as of Dec21A) resulted. The capital increase of EUR 1.5m carried out at SUMTEQ GmbH in March23A confirmed the corresponding fair value measurement.

va-Q-tec did not participate in the capital increase, and consequently its shareholding was reduced from 15.0% to approximately 14.06%.

As of the valuation date, we determined the special value for va-Q-tec's investment in SUMTEQ on the basis of the available post-money valuation and recognized it accordingly at a value of EUR 3.4m.

Investment in ING3D GmbH

va-Q-tec holds a minority stake in Fürth-based ING3D GmbH. ING3D GmbH manufactures new technology for the production of mineral 3D printing solutions, which are characterized by light, heat-resistant and sustainable material properties and are used in various areas such as acoustics, fire protection and thermal insulation.

In va-Q-tec's balance sheet as of Dec22A, the 15.0% investment in ING3D GmbH is recognized with an investment value of EUR 755k (compared to EUR 600k as of Dec21A).

In Jan23A, a capital increase took place at ING3D GmbH, in which va-Q-tec participated with an investment of EUR 420k. As a result, va-Q-tec's share in ING3D GmbH increased from 15.0% to 20.0%.

As of the valuation date, we determined the special value for va-Q-tec's investment in ING3D GmbH on the basis of the available post-money valuation and recognized it accordingly at a value of EUR 1.6m.

Assets to be valued separately

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Special values and non-operating assets

Currency: EURm	29 Aug. 23
Tax loss carryforwards va-Q-tec	5.3
Tax loss carryforwards of va-Q-tec foreign companies	0.7
Tax-recognized contribution account va-Q-tec	-
Investment in SUMTEC GmbH	3.4
Investment in ING3D GmbH	1.6
Investment property ("Am Heuchelhof")	1.2
Land area Koelleda	0.1
Total	**12.3**

Source: Management information, EY analysis

Non-operating assets

Real estate ("investment property")

As of the measurement date, va-Q-tec has one investment property in Würzburg in the Heuchelhof district. The investment property is measured at fair value in accordance with IFRS 13.

The corresponding land results from an acquisition transaction in FY16A. The original plan was to use this land together with the adjacent land including warehouse acquired in February 2017 and the intended construction project as an integrated production and administration facility. However, in April 2017, a further, larger plot of land was acquired together with the existing production and administration facility, which is now used as a management, technology and logistics center.

With the consolidation of the Würzburg sites, it was decided to hold the undeveloped land acquired in FY16A as a financial investment. By notarized contract, part of the land at Heuchelhof, which was recognized with a carrying amount of EUR 594k, was sold in November 2021 for a price of EUR 759k. The corresponding economic transfer of ownership took place in February 2022.

As of the valuation date of 29 August 2023, the land area at Heuchelhof still owned by va-Q-tec was recognized at a market value of EUR 1.2m, which was determined on the basis of the square meter sales price achieved in November 2021.

Land area in Koelleda

At the Kölleda location, va-Q-tec owns undeveloped and previously unused plots of land in the immediate vicinity of its own administration building and production halls. The free area was intended as a reserve area for future production expansions. Since no corresponding investments are planned at present and also for the planning period, we have valued the property at the current standard land value and recognized it as non-operating assets with a market value of EUR 114k.

Interim result Special values and non-operating assets

In total, the special values and non-operating assets amount to EUR 12.3m as of the valuation date 29 August 2023 (see adjacent table).

Derivation of equity value and value per share

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Derivation of enterprise value and value per share

		29 Aug. 23
Capitalized earnings	EURm	301.6
Special values and non-operating assets	EURm	12.3
Equity value	**EURm**	**313.9**
Number of shares		14,742,934
Value per share	**EUR**	**21.29**

Source: Management information, EY analysis

The equity value of va-Q-tec is determined from the sum of the capitalized earnings value on the valuation date plus the special values determined and the non-operating assets in accordance with the calculation shown in the adjacent table.

As of the reporting date 29 August 2023, the equity value of va-Q-tec amounts to:

EUR 313.9m

With a number of 14,742,934 va-Q-tec shares (excluding treasury shares held by va-Q-tec), the value per va-Q-tec share is as follows

EUR 21.29.

6 Liquidation value

Liquidation value analysis

Liquidation value determination

Since there are no apparent reasons for liquidating va-Q-tec in the present case, liquidation (breakup of the company) per se is not an alternative to going concern. This applies all the more against the background of additional expenses then incurred for social plans, costs from contract terminations and services still to be provided. With regard to the minimum amount of compensation to be paid to minority shareholders, for the purpose of checking whether the liquidation value may exceed the capitalized earnings value, we have, contrary to the going concern assumption, made an approximate derivation of the liquidation value as of 29 August 2023.

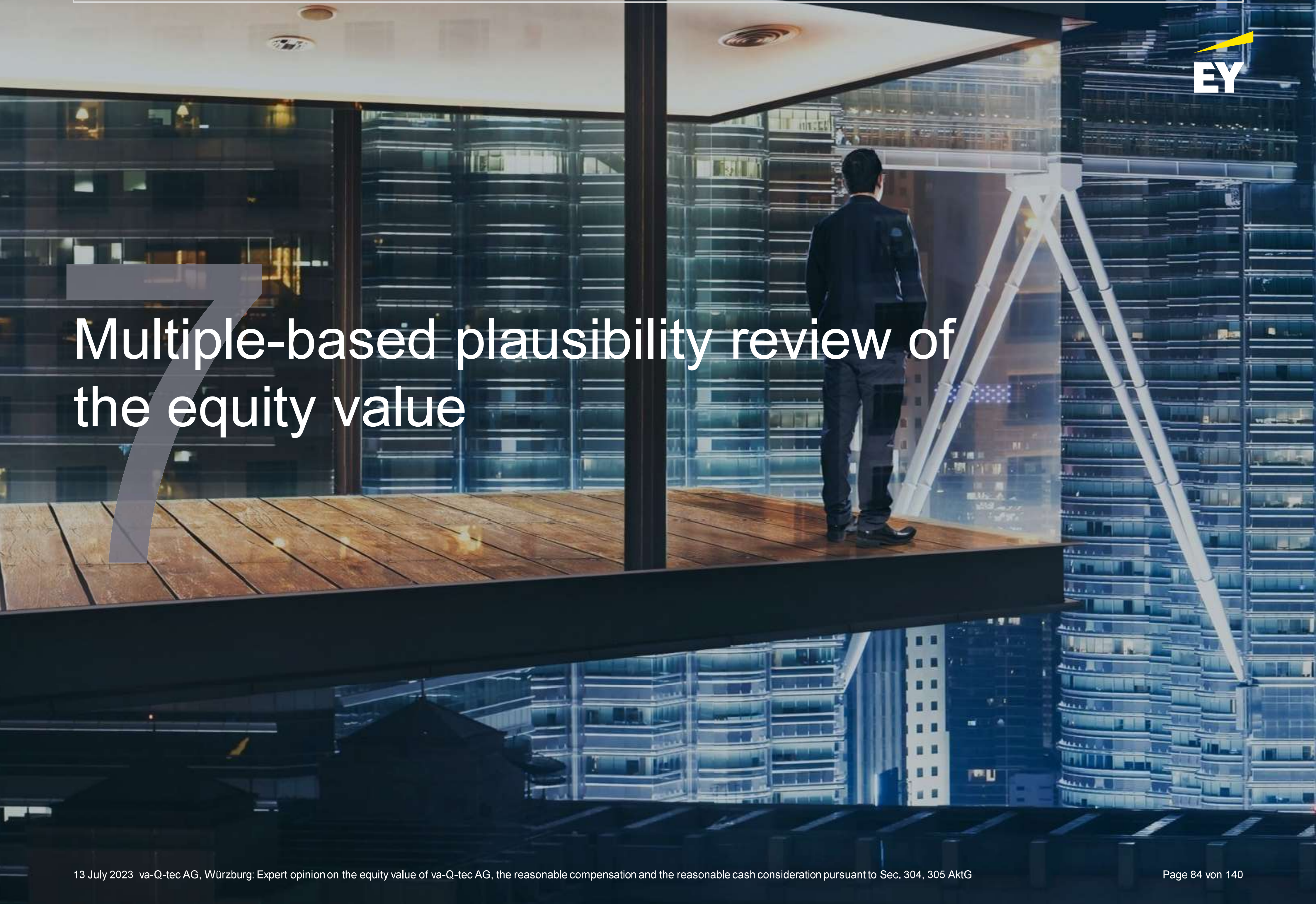
As of 31 December 2022, the net assets of va-Q-tec at carrying amounts in accordance with HGB [“Handelsgesetzbuch”: German commercial code] accounting amount to EUR 39.3m, while the net assets of the va-Q-tec Group at carrying amounts in accordance with IFRS accounting amount to EUR 38.7m. Due to the on 11 July 2023 completed capital increase by 10% of the share capital, the net assets of va-Q-tec according to accounting in accordance with the HGB increased by EUR 34.9m to EUR 74.2m and the net assets of the va-Q-tec Group according to accounting in accordance with IFRS increased by EUR 34.9m to EUR 73.6m.

We have neglected any extensive cost burdens that might arise during liquidation in the calculation for the purposes of estimating an upper liquidation value limit. In addition, discounts on individual asset items of va-Q-tec could arise due to the economically disadvantageous liquidation situation and the duration of the liquidation process, which we have also neglected in our analysis. Accordingly, results in net assets for va-Q-tec adjusted on a simplified basis for the purpose of determining the liquidation value in the amount of EUR 74.2m (before taking into account liquidation and phase-out costs, social plan and remanence costs).

The calculation of the liquidation value serves to determine a (minimum) compensation claim of the minority shareholders pursuant to Sec. 291 et seq. AktG [“Aktiengesetz”: German Stock Corporation Act]. In order for the liquidation value to be applied as a (minimum) compensation claim, in liquidation proceedings the liquidation proceeds consisting of net assets plus hidden reserves (including unrecognized assets) and less hidden liabilities (including unrecognized liabilities) would have to exceed the value of equity according to the income capitalization approach.

With net assets on the balance sheet of EUR 74.2m and a value of equity in accordance with the capitalized earnings value method as of 29 August 2023 of EUR 313.9m, the hidden reserves would have to exceed the hidden liabilities by EUR 239.7m in order to achieve a liquidation value that exceeds the value of equity in accordance with the capitalized earnings value method.

In summary, from a liquidation point of view, it can be assumed that, in particular with an additional consideration of liquidation costs, the expected liquidation proceeds will not be sufficient to exceed the value of equity according to the income capitalization approach.



7 Multiple-based plausibility review of the equity value

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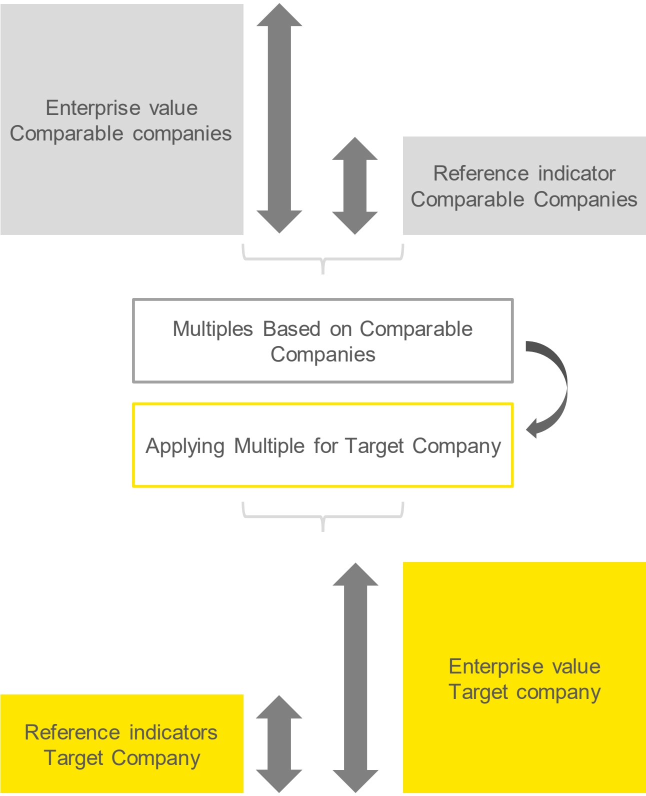
Plausibility check of the equity value on the basis of listed peer companies

Overview Multiple Approach



Source: EY Presentation

Theoretical fundamentals

IDW S 1, para. 143 recommends using simplified pricing methods based on capital market data to test the plausibility of the valuation determined under the capitalized earnings method. In particular, approaches based on multiples can be used. IDW S 1, para. 144 expressly states that a business valuation using the capitalized earnings method cannot replace these simplified pricing methods.

The multiplier method is based on multiples of reference indicators of a group of companies which are comparable to the subject company (peer group). The multiples are calculated as ratios of the market capitalization of peer group companies to their reference indicators and are applied to the subject company.

Depending on the indicator used, the multiplier method determines the subject company's equity value directly or indirectly (by deducting the net debt).

This method differs from the cash flow-based capitalized earnings method, which determines the equity value by discounting future cash flows. As the multiplier method is typically a valuation approach using market prices that are determined free of synergy potential, internal optimization potential and integration costs, the results of the market-based methods derive prices, rather than the company's actual value.

Multiples incorporate capital market data to reflect the aggregated assessment of market participants as to longer term earnings expectations and business risk.

Plausibility check of the equity value on the basis of listed peer companies

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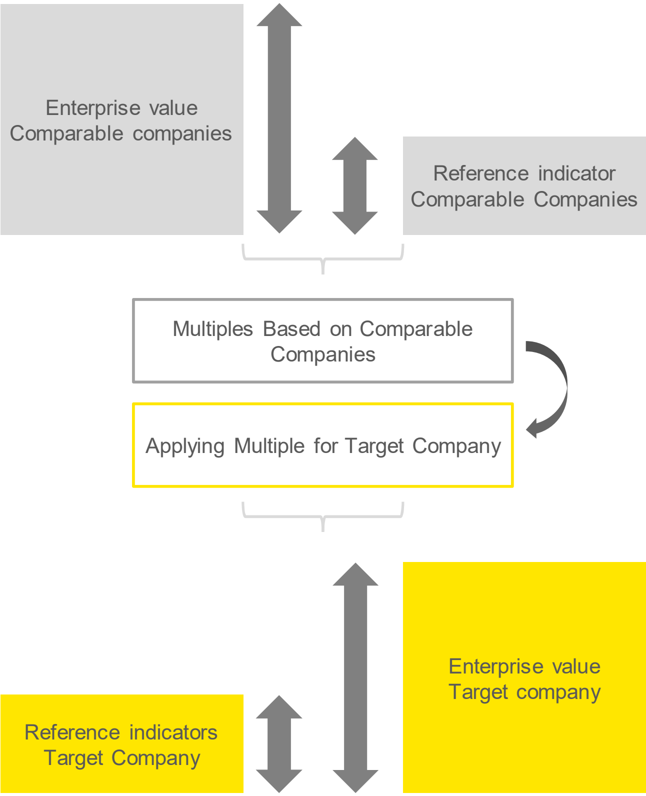
Overview Multiple Approach



Source: EY Presentation

Reference parameters

Critical factors of a comparative market valuation are the selection of the forecast performance indicators such as sales, EBITDA, EBIT, annual result and the selection of the peer group.

In general, the following multipliers are applied in the present evaluation context:

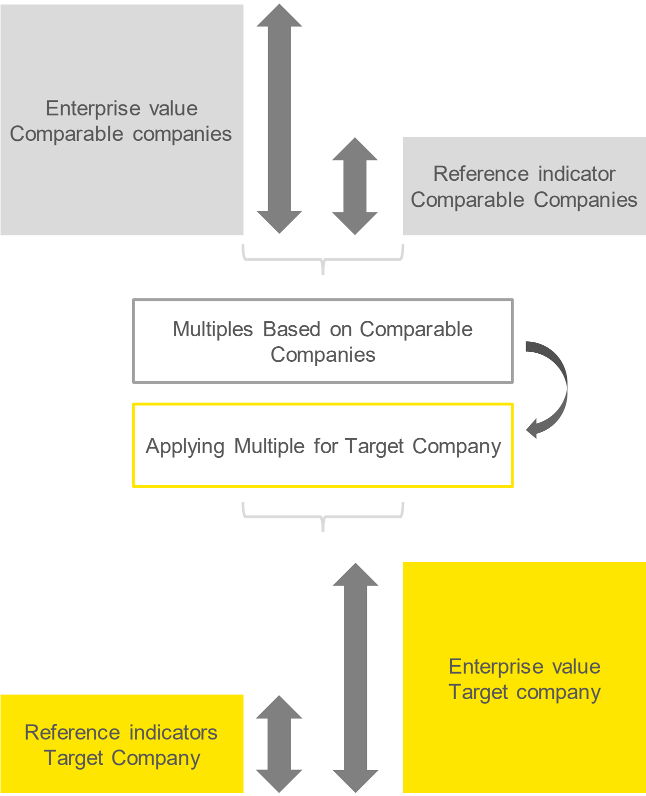
- Enterprise value/EBITDA
- Enterprise value/EBIT

When selecting the corresponding financial reference value, it should be noted that this is to be allocated proportionately to certain providers of capital in each case and that, accordingly, the denominator must correspond to the respective numerator when determining the multipliers. If, for example, net income is selected as the financial benchmark in the denominator, the numerator should not be the gross enterprise value, but the net enterprise value, as net income is only attributable to the providers of equity. In contrast to net income, sales, EBITDA or EBIT are ultimately attributable to all providers of capital and must therefore be in proportion to the gross enterprise value.

The calculation of meaningful multiples requires the existence of companies that are comparable at least in terms of the fundamental legal, economic and financial factors. Furthermore, operational criteria, e.g. industry, sales (customers, regions), competitive situation and growth prospects, must be taken into account for comparability.

Plausibility check of the equity value on the basis of listed peer companies

Overview Multiple Approach



Source: EY Presentation

Approach

The data of the peer companies relevant for the valuation were derived from annual financial statements, earnings estimates and market capitalization as of the reporting date. In particular, we used current analyst consensus estimates for the year 2023.

Derivation of the EBITDA and EBIT of va-Q-tec used for the multiple valuation

In determining the gross enterprise value, the year-specific multiplier was multiplied by the EBITDA or EBIT of the respective financial year of the va-Q-tec Group. Since sales multiples regularly do not take into account the expense structure of the company being valued, they are of little informative value. Against the backdrop of differing capital structures and differing tax circumstances, we have also refrained from considering net income multiples.

The company-specific reference figures were taken from the audited Group financial statements for the 2022 financial year as well as from the planning calculation for the va-Q-tec Group described above and, in addition, adjusted in order to reflect, as far as possible, the conditions of the va-Q-tec Group that are expected to be sustainable in the future.

We have used adjusted operating profit as the operating profit for fiscal 2022.

Derivation of the equity value on the basis of multipliers

To derive the value of va-Q-tec's equity using multiples, the financial liabilities were deducted from the enterprise value determined using the multiplier method. These were based on the short-term and long-term debt according to the Group financial statements as of 31 December 2022 of the va-Q-tec Group, adjusted for the additional cash raised from the capital increase on 11 July 2023 in the amount of EUR 1.3m plus share premium of EUR 33.5m (total of EUR 34.9m).

Special values

The special values are recognized using the values presented on the previous pages.

Plausibility check of the equity value on the basis of listed peer companies

EBITDA and EBIT multiples of listed peer companies

Currency: EURm	FY22A EBITDA multiplier	FY22A EBIT multiplier	FY23FC EBITDA multiplier	FY23FC EBIT multiplier
Min.	8.5x	11.1x	6.7x	10.7x
1st quartile	9.7x	13.5x	8.6x	16.1x
Median	14.8x	18.5x	14.3x	17.0x
Average	14.3x	19.8x	12.9x	19.0x
3rd quartile	15.9x	24.7x	15.1x	18.4x
Max.	22.3x	32.0x	22.1x	29.6x

Source: CIQ, EY analysis

Value per va-Q-tec share based on the median values of EBITDA and EBIT multiples

Currency: EURm	FY22A EBITDA	FY22A EBIT	FY23FC EBITDA	FY23FC EBIT
Performance indicators* (va-Q-tec Group)	14.2	0.5	21.8	5.8
Median multiplier	14.8x	18.5x	14.3x	17.0x
Enterprise value	210.7	9.2	311.4	98.2
Financial liabilities**	(33.7)	(33.7)	(33.7)	(33.7)
Special values	12.3	12.3	12.3	12.3
Equity value va-Q-tec	189.3	(12.2)	290.0	76.8
Number of shares (in millions)	14.7	14.7	14.7	14.7
Value per va-Q-tec share in EUR	12.8	(0.8)	19.7	5.2

* Adjusted earnings figures
** Financial liabilities as of 31 December 2022 adjusted for additional cash and cash equivalents of EUR 34.9m from the capital increase on 11 July 2023

Source: CIQ, EY analysis

Number of shares outstanding

In the context of determining the value per share of va-Q-tec on the basis of multiples, the determined value of va-Q-tec's equity was divided by the number of va-Q-tec shares outstanding as of the valuation date (excluding treasury shares).

Selection of comparable companies

The comparable companies correspond to the peer group used to determine the beta factor. A list of the peer companies is presented in Appendix B.

Value derivation and analysis

EBITDA and EBIT of the peer companies for the year 2022 were retrieved via Capital IQ. The corresponding values for 2023 are based on current estimates by analysts. The total company value was calculated from the market capitalization of the peer companies, adding net debt and minority interests.

The derivation of the resulting values per va-Q-tec share on the basis of EBITDA and EBIT multiples is shown in the table below. The values are derived on the basis of the median of the respective multiples.

The earnings value per share is above the range shown on the adjacent table.

Comparability is only limited in the case of the multiples. Most peer group companies are already considered established, while va-Q-tec is still in the growth phase. For this reason, multiples for subsequent years after FY23 may result in a value per share that is higher than the earnings value determined by us.

8 Stock price and prior purchases

Consideration of the stock market value

Preliminary remark

As va-Q-tec's shares are currently traded unchanged on the Frankfurt Stock Exchange and on various other stock exchanges in over-the-counter trading, it is in principle also conceivable to determine the value of the Company on the basis of va-Q-tec's market capitalization derived from the share price.

However, there may be weighty arguments against a determination of value derived from the stock market price, as the stock market price depends on numerous special factors and can therefore be subject to unpredictable fluctuations and developments. Special factors include the size and narrowness of the market, random turnover, and speculative and other non-value-related influences.

The use of stock market prices (market capitalization) as a basis for determining the appropriate cash compensation cannot replace a company valuation in accordance with the principles presented, as this valuation uses a better and broader basis of information than the capital market and adopts capital market calculations in the valuation methodology. The valuation presented here is based on an analysis of historical data and internal company planning data, which are not publicly available in this level of detail and scope.

In its decision on 27 April 1999 (cf. Federal Constitutional Court, 1 BvR 1613/94, DB 1999, p. 1,693 et seq.; WPg 1999, p. 780 et seq.), the Federal Constitutional Court ruled that the full compensation to be granted in determining fair compensation for minority shareholders when concluding a domination and profit transfer agreement may not be below the fair value of the shares. The Federal Constitutional Court also ruled that the stock market price does not always have to be the only factor used to determine the amount of compensation. “Exceeding this price is unproblematic under constitutional law. But there still may be good constitutional reasons for going below this price.” This applies in the exceptional event that the stock market price does not reflect the fair value of the share.

In its decision of 21 February 2023 (II ZB 12/21), the German Federal Court of Justice (BGH) ruled that the stock market value of a company can be suitable for adequately reflecting both its previous earnings situation and its future prospects of success in individual cases and that this can therefore be the basis for the appropriate fixed compensation to be determined in accordance with Sec. 304 (2) sentence 1 AktG.

Relevance of the stock market price as the minimum value

In addition to the obligation set out in Sec. 304 (1) sentence 1 AktG to adequately compensate outside shareholders in the form of a recurring cash payment related to the shares in the share capital, a domination and profit and loss transfer agreement must also contain the obligation of a company, at the request of an outside shareholder to acquire shares for an appropriate compensation specified in the contract (Sec. 305 (1) AktG). According to Sec. 305 (3) sentence 2 AktG, this reasonable compensation must take into account the circumstances of the company at the time the resolution was passed by its general meeting on the contract. This applies accordingly to the compensation payment within the meaning of Sec. 304 AktG.

According to the decision of the Federal Constitutional Court of 27 April 1999 (BvR 1613/94), an existing stock market price may not be disregarded when calculating the amount of compensation under Sec. 305 AktG. The marketability, which characterizes the content of share ownership, requires that outside shareholders receive, in addition to full participation in the assets, at least what they would have received if they had freely decided to divest. The stock market price basically represents the lower limit of the compensation to be paid to the shareholder.

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Relevance of the stock market price

According to the case law of the German Federal Constitutional Court (BVerfG), falling below the relevant stock market price when determining the compensation can only be considered in exceptional cases in which the stock market price does not reflect the market value of the share. This is particularly the case if there has been practically no trading in the company's shares over a longer period of time, the individual outside shareholder is unable to sell his shares at the market price due to a tight market, or the market price has been manipulated. (cf. “DAT/Altana decision”, Federal court of justice, decision of 12 March 2001, II ZB 15/00; Düsseldorf Higher Regional Court, decision of 25 May 2000; 19 W/5/93 AktE; Düsseldorf Higher Regional Court, decision of 31 January 2003, 19 W 9/00 AktE; Higher Regional Court Karlsruhe, decision of 5 May 2004, 12 W 12/01; Higher Regional Court Düsseldorf, decision of 4 October 2006, 26 W 7/06).

In more recent case law, the opinion of the BVerfG has also been taken up in a confirming manner, for example by the Munich Regional Court in its decision of 30 May 2018, with regard to the relevance of the stock market price as a minimum value (as well as the three-month average calculation to be presented below) (see Munich Regional Court I,30 May 2018, 5 HK 10044/16, in particular para.189).

However, case law does not quantify criteria such as the specification of a minimum trading volume or the determination of a certain number of days with trading of the shares in question. For example, the Stuttgart Higher Regional Court states: "What is ultimately required is an overall consideration of the market circumstances in the individual case; quantitative limits cannot be set schematically" (see Stuttgart Higher Regional Court, decision dated 14 February 2008, 20 W 9/06). On the whole, therefore, a very restrictive approach is taken to the assumption of such exceptional circumstances.

With its decision of 12 September 2017 (12 W 1/17), the Karlsruhe Higher Regional Court also follows the opinion of the Federal Constitutional Court with regard to the stock market price as the lower limit of the compensation (also Munich Higher Regional Court; AG 2007 246/247) and refers to the assessment of the existence of a Market narrowing to the criteria of Section 5 of the Securities Acquisition and Takeover Act Offer Ordinance (WpÜG-AngVO).

Sec. 5 (4) WpÜG-AngVO explains the question of market narrowing as follows: “Are for the shares in the target company during the last three months prior to publication pursuant to Section 10 (1) sentence 1 or Section 35 (1) sentence 1 of the securities acquisition - and Takeover Act, if stock market prices are determined on less than one third of the trading days and several stock market prices determined one after the other deviate from one another by more than 5 percent, the amount of the consideration must correspond to the value of the company determined on the basis of a valuation of the target company."

In some cases, however, case law does not necessarily regard a narrow market as an automatic criterion for excluding the stock market price. For example, in its decision of 11 July 2006 (31 Wx 41/05), the Munich Higher Regional Court stated that the stock market price is to be used to calculate the cash compensation in the context of a squeeze-out under stock corporation law, even if there is a shortage of shares on the market, as long as a minority shareholder had the opportunity to sell his shares (at the bid price) on many trading days during the relevant period.

Relevance of the stock market price

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Relevant reporting date and reference period

For the consideration of the stock market price, the relevant reference period from which the stock market price is to be determined in the sense of a minimum figure.

According to the case law of the German Federal Court of Justice (BGH), when determining the relevant period for the stock market price to be used for the valuation, a reference price is to be used that is derived from the sales-weighted average price over a period of three months (so-called "Stollwerck decision", see Federal court of justice, decision dated 19 July 2010, II ZB 18/09). By averaging, random influences and short-term distortions that can occur with a closing rate can be eliminated. Furthermore, weighting on the basis of daily turnover avoids distortions that can occur in the case of simple averaging.

The question of which period should be used to determine the three-month average share price as the lower limit of the cash compensation in the case of a structural measure was disputed in the literature and case law until the decision of the Federal court of justice of 19 July 2010. The Federal court of justice thus decided, in deviation from its previously held view, that the three-month reference period to be taken as a basis ends on the day before the announcement of the intended structural measure. The main argument in favor of this view is that after the announcement of a structural measure, the share price performance is no longer unaffected, but rather influenced by speculation on compensation.

Thus, the Federal court of justice states that if the stock market prices after the announcement of the structural measure "... are included in the reference period, the determined stock market price no longer reflects – as required – the price which the shareholder would have obtained without the intervention of the principal shareholder obligating him to compensation or the structural measure and which is formed from supply and demand from the point of view of the enterprise value expected by the market, but the price which can be obtained precisely because of the structural measure. [...] However, this demand has nothing to do with the market value of the share, with which the shareholder is to be compensated for the loss of the shareholder position do as if the structural measure had not occurred (BVerfGE 100m 289, 305; BVerfG, ZIP 2007, 175 Rn. 16)." The choice of reference period serves, among other things, to prevent the possibility of manipulation. Abuse is therefore to be ruled out by both sides. In the opinion of the Federal court of justice, the minority shareholder is protected from manipulation by the majority shareholder through the selection of a particularly favorable point in time by the fact that the cash compensation can never be less than the minority shareholder's share of the enterprise value.

The Karlsruhe Higher Regional Court (12 September 2017) confirms this view and, with regard to the average calculation, refers to Sec. 5 WpÜG-AngVO, which stipulates in accordance with Section 1 that the consideration offered in the event of a takeover bid must be at least the average stock market price of the target company’s shares during must correspond to the last three months before publication of the decision to submit an offer.

In accordance with the case law of the Federal court of justice, this means that the end of the reference period must be based on the date prior to the announcement of the declaration of intent to implement a measure under stock corporation law. This is also regularly the practice. However, it is questionable how the specific announcement date is identified and determined in each individual case.

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Relevance of the stock market price

With regard to the decision of the Federal court of justice of 19 July 2010, the relevant three-month reference period thus ends on 8 December 2022, the day before the ad hoc notification by va-Q-tec of the expected short-term conclusion of a merger agreement with Fahrenheit AcquiCo AG and the intention to submit a request to initiate negotiations on the conclusion of a domination and profit and loss transfer agreement, and begins on 9 October 2022.

As part of a more detailed share price analysis for the shares of va-Q-tec, it is to be examined below whether the share price was significantly influenced by the announced structural measure from 9 December 2022, and thus whether the reference period ends on 8 December 2022, at the latest, and whether the share price within this reference period 9 September 2022, to 8 December 2022, represents a suitable basis for determining a three-month average share price as the minimum value for assessing the cash compensation of the minority shareholders pursuant to Sec. 305 AktG.

Criteria of the study of the historical course

Against the background of the previous statements on the relevant reference period, we examined the share price of the va-Q-tec share. Our investigation was carried out in addition to the previously presented criteria of market tightness according to Sec. 5 (4) WpÜG-AngVO, in particular on the basis of the following quantitative criteria, which have proven to be decisive in the case law for assessing the relevance of the stock market price (cf. Land/Hallemayer, AG 2015, page 659 (issue 18):

- Proportion of free float to shares issued;
- Trading volume in relation to free float;
- Number of trading days without trading;
- Price jumps/volatility of the stock price.

In addition, we examined the bid-ask spread.

For analysis purposes, capital market data from the financial information service provider Standard & Poors Capital IQ ("CIQ"; daily closing prices and daily average prices of all stock exchanges) were used, unless otherwise stated.

Relevance of the stock market price

Master data of the va-Q-tec share

	va-Q-tec share
ISIN	DE0006636681
WKN	663668
Share class	No-par value registered shares
Ticker	VQT
Industry	Industrial machinery, accessories, and components.
Index	-
Admission segment	Prime standard
Number of shares*	13,401,434
Market capitalization**	EUR 218,711,400.00
Period 9/9/2022 to 8/12/2022:	
Highest price	EUR 16.38
Lowest price	EUR 9.65
Stock exchanges	Frankfurt (Main)
Rating	-

* as of 8 December 2022, excluding 13,566 treasury shares
** as of 8 December 2022, share price EUR 16.32

Source: Management information, CIQ, EY analysis

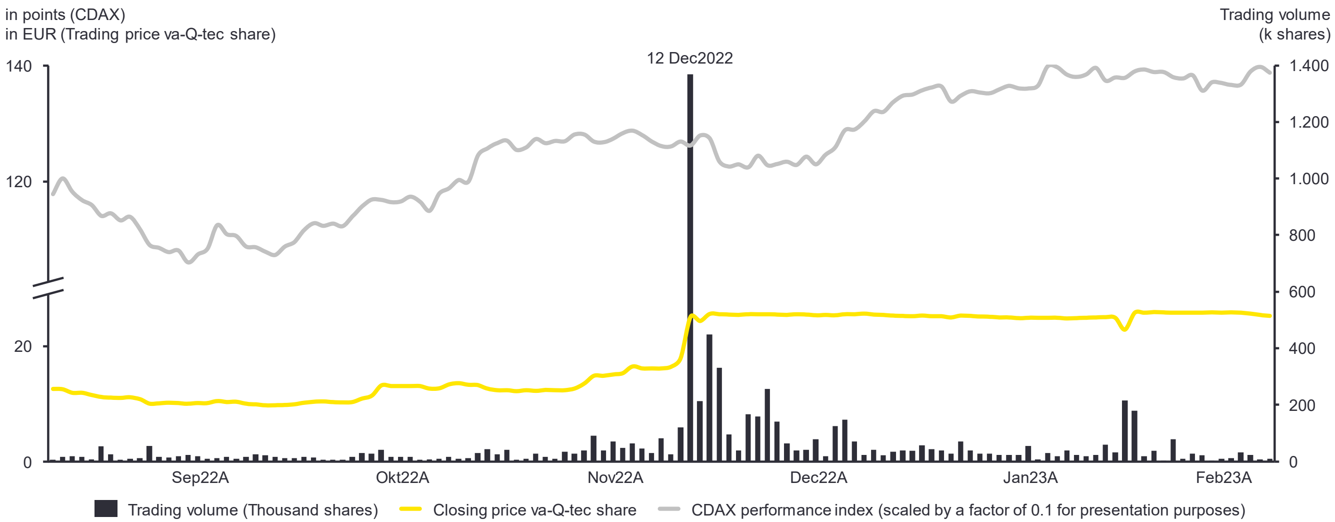
Development of the va-Q-tec share price

The chart below shows the performance of the va-Q-tec share price for the period 9 September 2022 (start of the reference period) to 7 March 2023 (end of the further acceptance period for the voluntary public takeover offer) as well as the performance of the CDAX during this period.

The analysis shows that the stock market price of the va-Q-tec shares was already at a price of EUR 17.80 (closing price; increase compared to previous day price 9.1%) on the day of the ad hoc announcement of va-Q-tec about the expected conclusion of a merger agreement and the reference to the conclusion of a domination and profit and loss transfer agreement on 9 December 2022 with a price of EUR 17.80 (closing price; increase compared to previous day's price 9.1%) and on the following trading day, 12 December 2022, with a price of EUR 25.00 (closing price; increase compared to previous day's price 40.2%).

va-Q-tec has not published any other information on the business development of va-Q-tec at this time. Furthermore, there was no economic or other event at that time that would justify such a jump in the share price. Accordingly, the development of the CDAX at this time shows no significant change.

Stock market price and volume of domestic stock exchange trading of va-Q-tec shares from 9 September 2022 to 7 March 2023 (closing prices)



Source: CIQ, EY analysis

Relevance of the stock market price

The increase in va-Q-tec's share price as of 9 December and 12 December 2022, respectively, is thus solely attributable to va-Q-tec's announcement with regard to the expected short-term conclusion of a merger agreement between va-Q-tec and Fahrenheit AcquiCo and the announcement of the submission of a voluntary public takeover bid by Fahrenheit AcquiCo with an offer price of EUR 26.00 per va-Q-tec share.

According to the decision of the Federal court of justice of 19 July 2010 and the decision of the Karlsruhe Higher Regional Court (12 September 2017) with reference to Section 5 (1) WpÜG-AngVO, the relevant reference period ends on 8 December 2022 at the latest.

Examination of the share price development on the basis of liquidity criteria

The following investigations examine whether the three-month period from 9 September 2022 to 8 December 2022 is a suitable basis for determining an average share price as the minimum value for calculating the cash compensation of minority shareholders in accordance with Sec. 305 of the German Stock Corporation Act (AktG). Therefore, unless otherwise stated, we have based the following on the three-month period under review from 9 September to 8 December 2022.

Free float as a percentage of shares issued

As of 8 December 2022 (prior to the announcement of the voluntary public tender offer), out of the total 13,415,000 issued shares 3,464,635 shares (25.83%) were held by family members of the founders of va-Q-tec. Another 13,566 shares (0.10%) were held as treasury shares by va-Q-tec. The remaining shares issued are in free float. Overall, the proportion of shares in free float at 74.07% (9,936,799 shares) appears to be sufficient. Nevertheless, no conclusive assessment can be derived from this criterion alone.

Trading volume in relation to free float

In the three-month period under review from 9 September 2022 to 8 December 2022, the cumulative trading volume amounts to 1,546,620 shares. This corresponds to around 15.6% of the free float.

Number of trading days without trading

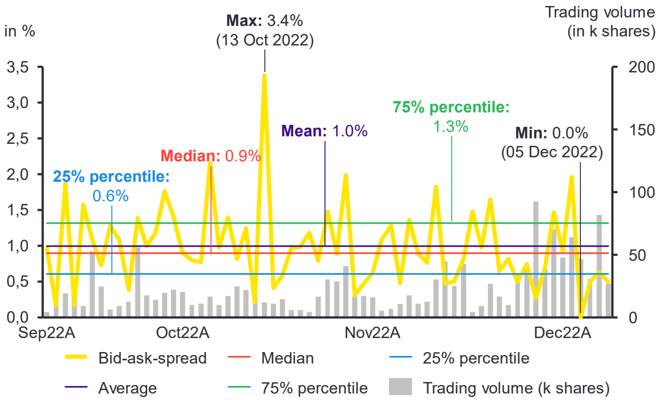
In the period under review from 9 September 2022 to 8 December 2022, transactions were executed on all German trading days. This means that trading took place on significantly more than one third of the usual trading days. Shareholders therefore had the opportunity to sell their shares on each trading day in accordance with the case law of the Munich Higher Regional Court (decision of 11 November 2006, 31 Wx 41/05).

Price jumps/volatility of the share price

Within the reference period under review (9 September 2022 to 8 December 2022), the largest observable change in daily closing prices was 15.8% (increase, 27 October 2022) and -7.0% (decrease, 23 September 2022) for the Frankfurt (Main) Stock Exchange and Xetra trading, respectively.

Relevance of the stock market price

Bid-Ask-Spread va-Q-tec share, 9 September 2022 to 8 December 2022



Source: CIQ, EY analysis

Analysis of the bid-ask spread

Another indicator of the absence of a market squeeze is the bid-ask spread. In the period under review from 9 September 2022 to 8 December 2022, the bid-ask spread of the daily closing prices varied between 0.0% and 3.4%. The average bid-ask spread of daily closing prices over the period under review is around 1.0% (the median is 0.9%). Over the period under review, 25 trading days close with a bid-ask spread above the median.

As a rule, bid-ask spreads of less than 1.0% can be observed for liquid shares, see also Regional Court Munich I, 21 December 2015 - 5 HK O 24402/13. The average bid-ask spread of the va-Q-tec share equals this limit.

There are individual outliers in the period under review, but these do not indicate a fundamental market squeeze.

Other factors: capital market efficiency and information processing

In addition to the factors listed, the question arises as to whether all available information is processed in the decision of capital market participants in the price formation process in such a way that the stock market price reflects the market value in accordance with the information efficiency hypothesis (cf. Fama, Journal of Finance 1970, pp. 383-417).

va-Q-tec shares have been admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) since 30 September 2016 and are traded via the electronic trading system ("XETRA") of Deutsche Börse AG, Frankfurt am Main. According to the regulations of Deutsche Börse AG, va-Q-tec is subject to a disclosure requirement, which ensures that information relevant to the capital market is sufficiently available. Furthermore, we are not aware of any reasons that would speak against the existence of information efficiency that is customary in the market.

Relevance of the stock market price

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Conclusion

Based on our analysis and the criteria explained, we conclude that there is no market shortage for the period from 9 September 2022 to 8 December 2023. Therefore, there is no indication that the observed stock market price does not reflect the fair value of the share. Thus, it can be concluded that the stock market price is relevant as a lower limit for the calculation of the compensation.

From the analysis of the stock market price development, it can be seen that the share reacted immediately after the announcement of the structural measure on 9 December 2022.

Therefore, we conclude that the relevant announcement date is 9 December 2022, and the three-month average price can be appropriately determined over a reference period from 9 September 2022 to 8 December 2022 (inclusive).

Determination of the average turnover-weighted stock price on the reporting date

Taking the three months directly before the announcement of the planned structural measures on 9 December 2022, as the reference period for determining the average stock market price, there is a price development from EUR 12.48 (9 September 2022) to EUR 16.32 (8 December 2022) (based on closing prices, Capital IQ data).

The Federal Financial Supervisory Authority (BaFin) has determined a volume-weighted three-month average price for va-Q-tec shares on the reporting date of EUR 12.75 in accordance with Sec. 31 (1), 7 WpÜG in conjunction with Sec. 5 WpÜG-AngebotsV. This was weighted according to its turnover in relation to the total number of shares.

We have analyzed and verified the three-month average stock market price of va-Q-tec shares on the reporting date of 8 December 2022 (inclusive) based on data from financial service provider Standard & Poor's Capital IQ. We see no reason to use a different period to determine the three-month average price.

To validate the BaFin's communicated three-month average stock market price of va-Q-tec shares, we conducted our own plausibility calculation based on trading data from Standard & Poor's Capital IQ. The trading data for va-Q-tec shares (ISIN: DE0006636681) obtained from Standard & Poor's Capital IQ cover floor trading on the Frankfurt Stock Exchange as well as electronic trading (Xetra). Based on this trading data, the weighted average stock market price of va-Q-tec shares was determined according to the systematics described by BaFin. All transactions (business or tick data) transmitted by Deutsche Börse AG during the period from 9 September 2022, to 8 December 2022 (inclusive) were taken into account. The resulting three-month average stock market price from this plausibility calculation is EUR 12.77 and thus largely supports the average stock market price calculated by BaFin based on all relevant trading data, despite the not directly congruent data basis.

Therefore, the relevant three-month average stock market price is EUR 12.75 according to BaFin's determination.

Relevance of the stock market price

Extrapolation of stock market price to the day of the shareholders' meeting

In its ruling on the relevant reference period for calculating the stock market price, the Federal Court of Justice also found that, under certain circumstances, the stock market price of the share derived from the three-month reference period on the date prior to the announcement of the intended capital measure must be extrapolated to the date of the resolution of the shareholders' meeting in line with the general development of market capitalization or development customary for the industry. The price must be extrapolated if there is a long period between the announcement of the capital measure and the resolution by the shareholders' meeting on the capital measure and an adjustment appears necessary in light of the development of the stock market prices (cf. "Stollwerck ruling," of the Federal Court of Justice, decision dated 19 July 2010, II ZB 18/09 and confirmed by the Federal Court of Justice, decision dated 28 June 2011, II ZB 2/10).

A period of seven and a half months was considered to be a long period in the Federal Court of Justice's "Stollwerck ruling" from 2010. At all events, the Stuttgart Higher Regional Court dispenses with an extrapolation of the market capitalization in line with the general development of market capitalization or development customary for the industry if the shareholders' meeting takes place no longer than six months after the announcement of the capital measure (cf. Stuttgart Higher Regional Court, decision dated 19 January 2011, 20 W 3/09, Stuttgart Higher Regional Court, decision dated 4 May 2011, 20 W 11/08 and Stuttgart Higher Regional Court, decision dated 17 October 2011, 20 W 7/11).

The Stuttgart Higher Regional Court states that the inclusion of developments beyond the announcement of the capital measure via extrapolations should be an exception since this is merely aimed at preventing abuse by the majority shareholder of the structuring options associated with the announcement. The majority shareholder must not be allowed to exclude the other shareholders from a positive stock market trend by announcing the capital measure early and then waiting before implementing it (cf. Stuttgart Higher Regional Court, decision dated 19 January 2011, 20 W 3/09 and Stuttgart Higher Regional Court, decision dated 17 October 2011, 20 W 7/11 with reference to the "Stollwerck ruling" of the Federal Court of Justice, decision dated 19 July 2010, II ZB 18/09).

The Stuttgart Higher Regional Court thus believes application should be limited to cases in which execution of the announced capital measure is delayed for no objective reason. The Saarbrücken Higher Regional Court agrees with this assessment, adding a "dilatory performance" of the squeeze-out as a further indicator (cf. Saarbrücken Higher Regional Court, decision dated 11 June 2014, 1 W 18/13). According to the Stuttgart Higher Regional Court, however, subsequent developments should not be taken into consideration when the capital measure is carried out within a "normal and customary timetable."

The Munich Regional Court emphasizes the fact that the Stollwerck ruling was intended as an exception pointing to the danger of failing to recognize this aspect and allowing it to become the rule. It also points out that some approaches in literature do not adequately take account of the special aspects of the individual case, such as size and complexity of the subject company (cf. Munich Regional Court I, decision dated 28 April 2017, 5 HK O 26513/11).

For an extrapolation, the Frankfurt Higher Regional Court considers industry indices – or even peer group companies – to be more appropriate than cross-industry indexes because the price development of a certain company would normally be influenced more heavily by the industry it belongs to than by the development of the economy as a whole (Frankfurt Higher Regional Court, decision dated 21 December 2010, 5 W 15/10).

Relevance of the stock market price

Conclusion regarding the necessity for projections

In the present case, the structural measure was announced on 9 December 2022. The general meeting, which is to decide on the structural measure, is scheduled for 29 August 2023.

Unilateral considerations based solely on mathematical calculations could initially indicate a "longer period," but then neglect the economic and actual aspects of the restriction to exceptional cases with unjustified delay intentions, dilatory conduct of the procedure, and unusually long valuation and examination periods. However, such an exceptional case that could justify a projection does not exist here.

- Immediately before the conclusion of a merger agreement between va-Q-tec and Fahrenheit AcquiCo, an ad-hoc announcement had to be made on 9 December 2022; va-Q-tec was therefore legally obliged to make the announcement. The ad-hoc announcement included the announcement of an expected voluntary public takeover offer by Fahrenheit AcquiCo to acquire all va-Q-tec shares at an offer price of EUR 26.00 per va-Q-tec share.
- On 16 January 2023, Fahrenheit AcquiCo published the voluntary public takeover offer. At the same time, an independent valuation was commissioned, and an application was made to the competent court for the appointment of an adequacy auditor.
- Furthermore, antitrust clearance was requested.

The processes related to the conclusion of the domination and profit and loss transfer agreement were aimed at presenting it for resolution at the ordinary general meeting of va-Q-tec in early June 2023 (i.e., within six months of the announcement of the structural measure).

However, the process of approving the transaction by the competition authorities took unusually long compared to similar transactions, so the originally planned general meeting date had to be postponed. Approval by the German competition authority was granted on 15 June 2023. Approval by the Austrian competition authority was granted on 30 June 2023. The ordinary general meeting, at which the resolution on the corporate action is to be passed, was therefore postponed from early June 2023 to 29 August 2023.

The time delay, i.e., the resolution on the conclusion of a domination and profit and loss transfer agreement, is due to the long duration of the process of approval by the competition authorities and is therefore not the responsibility of va-Q-tec and/or Fahrenheit AcquiCo.

Immediately after approval by the competition authorities, all further transaction steps, including the convening of the ordinary general meeting by va-Q-tec and Fahrenheit AcquiCo, were taken.

Since there is no objective reason for a delay in the implementation of the announced measure by va-Q-tec or Fahrenheit AcquiCo, a projection of the stock market price is not generally necessary. Nevertheless, we have documented below how the stock prices would appear after updating our valuation work.

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Conclusions regarding the requirement for projections

The projection of the stock price was based on the development of the CDAX from 9 December 2023 to 12 July 2023 (see Popp & Ruthardt: “Abfindung zum Börsenkurs: Hochrechnungssystematik” (WPg 2017, Issue 20, pp.1220-1229).

The projections carried out took into account original beta factors (i.e. beta factors without adjustment for capital structure risk) and relevered beta factors (i.e. beta factors whose own capital structure risk was eliminated and adjusted to the capital structure risk of va-Q-tec in the context of the levering process) as of 8 December 2022. The beta factors were determined based on monthly returns over a five-year period.

The beta-based projection methods favored by Popp & Ruthardt suggest a projected stock market price between EUR 14.88 (peer group median, relevered beta) and EUR 16.17 (va-Q-tec, original beta factor), as shown in the table below.

Projections of the stock market price of va-Q-tec shares on 12 July 2023

Beta-based projection	BaFin VWAP 8 Dec. 2022 EUR	CDAX Change 9 Dec. 2022 till 12 Jul. 2023	Beta factor 8 December 2022	Risk adjusted change (change in CDAX x beta factor)	Projected stock market price 12 Jul. 2023 EUR	Projected change in stock market price EUR
va-Q-tec original beta/levered Beta factor	12.75	12.4%	2.17	26.9%	16.17	3.42
Peer group original beta mean/levered Beta factor	12.75	12.4%	1.41	17.5%	14.98	2.23
Peer group oríginal beta median/levered Beta factor	12.75	12.4%	1.36	16.8%	14.89	2.14
Peer group relevered beta mean/levered Beta factor	12.75	12.4%	1.49	18.4%	15.09	2.34
Peer group relevered beta median	12.75	12.4%	1.35	16.7%	14.88	2.13

Source: CIQ, EY analysis

However, since the expert-determined capitalized earnings value per share of the company is EUR 21.29, which is higher than the projected stock market price, the projected stock market price is not relevant in this case.

Relevance of prior acquisitions

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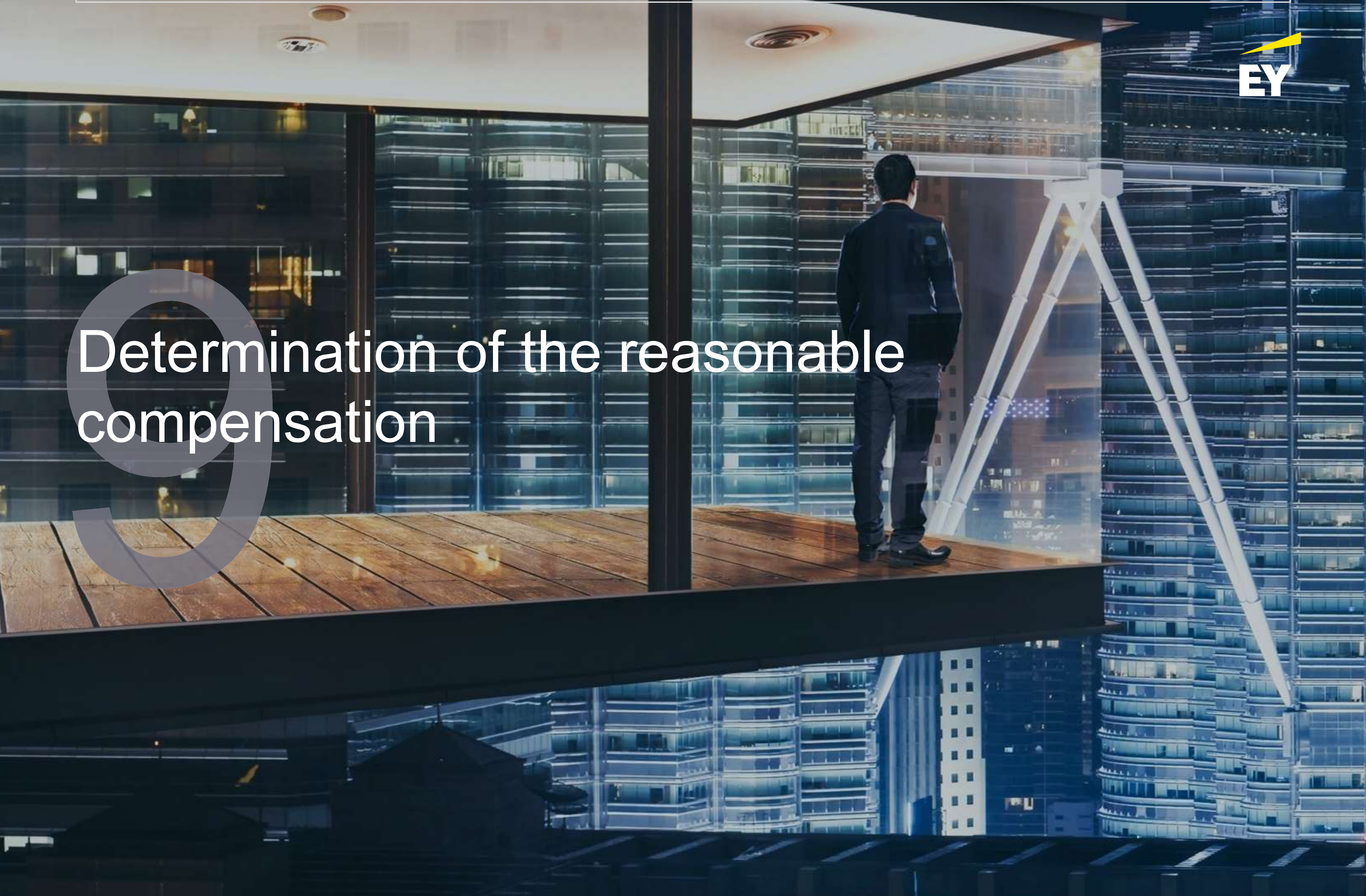
Prior acquisitions

The Federal Constitutional Court ruled on 27 April 1999 that the prices actually paid by a majority shareholder for shares in a dependent company may be disregarded in the valuation of the share ownership for the calculation of the compensation according to Sec. 305 AktG because they generally have no relationship to the "true" value of the share ownership in the hands of minority shareholders or to the market value of the shares (cf. BVerfG, 27 April 1999, 1 BvR 1613/94, AG 1999, pp. 566-568). The consideration of a majority shareholder who is willing to accept inflated prices in advance and in preparation for a corporate measure - e.g. in the context of a takeover offer - is only decisive for the majority shareholder, while it has no significance for third parties. From the perspective of the minority shareholder, the (inflated) price paid by the majority shareholder for individual shares can only be achieved if he manages to sell his shares to the majority shareholder. However, there is no constitutional entitlement to this. This decision corresponds to the prevailing opinion in literature and by the supreme court jurisdiction (cf. for all: van Rossum, in. Münchner Kommentar zum AktG, 5th ed., 2020, p. 305, para. 91; Federal court of justice, 19 July 2010, II ZB 18/09, AK 2010, p. 629, 623).

A comparable decision was made by the ECJ on 15 October 2009 (Case C101/08, AG 2009, pp. 281 et seq.). According to the ECJ, Community law does not contain any legal principle that protects minority shareholders in such a way that the main shareholder is obliged to buy their shares under the same conditions as those agreed upon when acquiring a stake with which the main shareholder acquires control or strengthens its control. The irrelevance of prices paid by the main shareholder was expressly reaffirmed by the Federal court of justice (19 July 2010, II ZR 18/09, AG 2010, p. 629, 632), the Higher Regional Court Munich (26 June 2018, 31 Wx 382/15, para. 34 (Beck RS)), the Higher Regional Court Düsseldorf (22 March 2018, 26 W 20/14, para. 58 (Beck RS); 12 November 2015, 26 W 9/14, para. 43 (Beck RS)), the Higher Regional Court Stuttgart (4 May 2020, 20 W 3/19, decision text p. 34), the Higher Regional Court Frankfurt (8 September 2020, W121/15 para. 33 (Beck RS)), the Higher Regional Court Jena (3 March 2021.2 W 407/18, decision text p. 18) and the Higher Regional Court Hamburg (8 October 2018, 12 W 20/16, para. 30 (BeckRS), 27 March 2012, 13 W 20/09, decision text p. 7) (cf. Regional Court München I, 28 March 2018, 5HK 3374/18m decision text p. 85, with further references).

As of 9 December 2022, neither Fahrenheit AcquiCo nor persons acting jointly with it within the meaning of Sec. 2 (5) WpÜG or their subsidiaries held va-Q-tec shares directly or voting rights to be disclosed pursuant to Sec. 38, 39 WpHG with respect to va-Q-tec. Furthermore, as of 9 December 2022, Fahrenheit AcquiCo and persons acting jointly with it within the meaning of Sec. 2 (5) WpÜG or their respective subsidiaries were not attributable to any voting rights in va-Q-tec pursuant to Sec. 30 WpÜG.

Accordingly, no relevant pre-acquisitions need to be taken into account.



9

Determination of the reasonable compensation

Determination of the reasonable compensation pursuant to Sec. 304 AktG

Essential contractual agreements

Domination and profit and loss transfer agreement

According to Sec. 7.1 of the domination and profit and loss transfer agreement, this agreement comes into effect after approval by the annual general meeting and registration in the commercial register. However, according to Sec. 7.2, it only becomes effective at the earliest with the beginning of the fiscal year of va-Q-tec starting on 1 January 2024.

According to Sec. 1 in conjunction with Sec. 7.2 of the DPLTA, va-Q-tec submits the management of its company to Fahrenheit from the effective date of the DPLTA, but at the earliest with the beginning of the fiscal year of va-Q-tec starting on 1 January 2024.

According to Sec. 3 in conjunction with 7.3 b) of the DPLTA, Fahrenheit AcquiCo is obliged to take over losses from the effective date of the DPLTA. However, with regard to va-Q-tec's obligation to transfer profits according to Sec. 2 in conjunction with Sec. 7.3 a) of the DPLTA, this obligation only arises from the fiscal year of va-Q-tec starting on 1 January 2025. If the agreement becomes effective in a later fiscal year, the obligation to transfer profit (possibly retroactively) arises from the beginning of this later fiscal year.

Against the background of the DPLTA becoming effective (at the earliest) on 1 January 2024, the reasonable compensation payment is to be derived from the determined capitalized earnings value at the beginning of the fiscal year to which the DPLTA becomes effective (cf. WPH Edition Bewertung und Transaktionsberatung, C. 82; Higher Regional Court Frankfurt from 26.01.2015, 21 W 26/13; Higher Regional Court Frankfurt from 28.03.2014, 21 W 15/11). The compensation is to be determined as of the date of the entry into force of the DPLTA, since the compensation is relevant not only for the period from the entry into force of the profit and loss transfer as of 1 January 2025 for the amount of the annual compensation payment to be paid (Sec. 304 (1) sentence 1 AktG). The determined compensation also determines, in accordance with Sec. 304 (1) sentence 2 AktG, the amount of the guaranteed dividend, which must be distributed to the shareholders for the fiscal years after the entry into force of the domination agreement but before the entry into force of the profit and loss transfer at least. Accordingly, the amount of the compensation is to be determined as of the cut-off date of the expected initial entry into force of the DPLTA on 1 January 2024, which is why this date forms the basis for the determination of the compensation. Accordingly, the calculation of the compensation is based on the equity value of va-Q-tec or the value of the va-Q-tec share as of 1 January 2024.

Reasonable cash consideration

According to Sec. 5.2 of the DPLTA, the minority shareholders have the option to offer their shares to the majority shareholder in accordance with the statutory provisions of Sec. 305 (4) sentence 3 of the German Stock Corporation Act. This notification must be made within a period of two months after the day on which the entry of the DPLTA in the commercial register was announced. In return, the shareholders receive the legally prescribed cash consideration.

In addition, Sec. 5.6 of the DPLTA grants the minority shareholders a right of tender in the event of termination of the DPLTA by one of the contracting parties. The tender amount corresponds to the cash consideration specified in Sec. 5.1 of the DPLTA or, if applicable, an increased cash consideartion determined in an appraisal proceeding.

Determination of the reasonable compensation pursuant to Sec. 304 AktG

Methodological background on compensation payment

Obligation to compensate (compensation payment and guaranteed dividend)

The obligation to make compensation payments arises from Sec. 304 (1) AktG. A profit and loss transfer agreement must offer the minority shareholders reasonable compensation payments in the form of regular cash payments that are related to their share of the share capital.

If a domination agreement is concluded that does not oblige the company to transfer its entire profit, the minority shareholders must be guaranteed a certain annual share of profits (guaranteed dividend) that corresponds to the specified compensation.

This means that the right to compensation payments only arises from the entry into force of the profit and loss transfer. There is no right to compensation payments for the period before, but there is a right to dividend payments that must be made at least in the amount of the specified compensation. This is also clearly stated in the DPLTA.

If the dividend paid by va-Q-tec for the 2024 fiscal year (including any advanced payments, but before deduction of any withholding taxes) per registered share of va-Q-tec falls behind the guaranteed dividend, the minority shareholders are entitled to payment of a corresponding difference amount according to Sec. 304 (1) sentence 2 last half-sentence of the AktG in conjunction with Sec. 4.1 of the DPLTA.

Amount of compensation

According to Sec. 304 (2) AktG, it must be ensured that reasonable compensation is granted, which is based on the previous earnings situation of the company and its future earnings prospects, but without the formation of other profit reserves. When determining this compensation, future earnings developments are taken into account, which naturally vary and are adequately represented by the future success value. Dividend payments are particularly taken into account for companies with positive annual results.

The compensation amount should take into account average profit fluctuations and at the same time compensate for these fluctuations through a uniform average amount.

Fundamental considerations for determining the annuity interest rate

To determine the risk-equivalent annuity interest rate for determining the reasonable compensation, both the contractual arrangements and the options for action of both contracting parties during the term of the DPLTA, as well as the possible circumstances after termination of the DPLTA, must be taken into account. During the term of the DPLTA, the minority shareholders face the risk of default if the controlling company becomes bankrupt.

To take this default risk into account, the risk-free base interest rate is increased by a risk premium, which is based on the credit spreads or capital market yields of corporate bonds with comparable creditworthiness. In addition, risks may arise for minority shareholders after the termination of the DPLTA, which are due to a depreciation of their shares during the term of the DPLTA.

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Determination of the reasonable compensation pursuant to Sec. 304 AktG

In practice and jurisdiction, it is often argued that the risk of asset withdrawal should be taken into account as another risk component when determining the annuity interest rate for calculating compensation. It is suggested to include a half of the equity surcharge on the base interest rate to take this into account.

However, experts such as Frank, Muxfeld, and Galle point out that this risk premium may be inappropriate or excessive if there are hedging agreements or option agreements that protect minority shareholders from the risk of asset depreciation after or through the termination of the DPLTA. In such cases, it may be appropriate to reduce the annuity interest rate to a credit spread that reflects the credit risk. Otherwise, the compensation payment determined according to the usual practice would represent an overcompensation for a risk that was excluded by the hedging agreement.

In this specific case, such a limitation exists since the regulation according to Sec. 5.6 of the DPLTA is to be considered as a hedging or option agreement. The minority shareholders are granted an extraordinary tender right if one of the contracting parties terminates the DPLTA. The shareholders receive a purchase price equal to the specified cash settlement or, if applicable, an increased cash settlement within the framework of an appraisal proceeding to protect them from the additional risk of a contractually induced reduction in the asset value of their shares after termination of the DPLTA. Since this provision is designed as an election or option right, the minority shareholders also have the opportunity to benefit from any share price increases in the event of termination of the DPLTA.

In view of these contractual provisions, the risk profile for the minority shareholders changes. The compensation payment, including the contractual buyback option agreed in Sec. 5.6 of the DPLTA, has a financial structure of debt financing secured by the shares with limited default risk. If Fahrenheit AcquiCo fails to meet its payment obligations, there is also a contractual and legal right to terminate the DPLTA extraordinarily, thereby further reducing the default risk.

Therefore, it is appropriate, according to the recommendations of Frank, Muxfeld, and Galle, to assume a debt financing rate for companies with comparable credit risk as an appropriate annuity interest rate.

Determination of the reasonable compensation pursuant to Sec. 304 AktG

Calculation of the compensation

Assumptions regarding the annuity interest rate

Term assumptions: In general, a domination and profit and loss transfer agreement (DPLTA) that has been concluded is assumed to have a long term or the term originally expected. This is particularly true if the contracting parties primarily pursue strategic objectives and long-term synergy potentials are to be realized through the integration of the controlled company into the controlling company. In the present case, however, the conclusion of the DPLTA takes place against the background of the investment of Fahrenheit AcquiCo as a financial investor. Since financial investors usually have a holding period of 5 to 8 years for their portfolio companies, it can be assumed that the DPLTA between Fahrenheit AcquiCo and va-Q-tec does not exist significantly longer than the minimum term of 5 years required for the recognition of tax consolidation. Against this background, we have assumed a term of 8 years for the determination of the annuity interest rate.

Determination of the pre-tax cost of debt: When deriving the annuity rate, due to the security clause in the DPLTA described above, the term and the risk-equivalent cost of debt of Fahrenheit AcquiCo must be taken into account, as minority shareholders only bear the credit default risk of the compensation payment and the repayment risk upon termination of the DPLTA.

Fahrenheit AcquiCo is solely equity-financed and has no own debt financing that could be used to calculate the relevant cost of debt. As Fahrenheit AcquiCo does not conduct any independent business activity and its main asset is the stake in va-Q-tec, we have approximately derived the cost of debt based on a synthetic debt rating of Fahrenheit AcquiCo as the controlling company, taking into account the business model and financing structure of va-Q-tec. The debt rating therefore ranges between BBB and BB.

We have determined the relevant cost of debt based on the average returns for unsecured corporate bonds with a synthetic debt rating of BBB+/BBB/BBB- or BB+/BB/BB- and a term of 8 years for the months of April to June 2023 (source: financial service provider Bloomberg). It should be noted that the financial structure of Fahrenheit AcquiCo is more similar to a secured bond, which is why this methodology leads to a slight overestimation of the annuity interest rate. However, this has no adverse effects on the purpose of determining a fair compensation for minority shareholders.

Based on our analyses, the pre-tax cost of debt for a term of 8 years ranges from 4.26% to 5.62% (see table next to this text).

Therefore, we have rounded the discount rate to 4.94% to two decimal places.

DPLTA-specific risk premium regarding the risk of asset withdrawal at the end of the contract: Due to the existence of a security agreement/option according to Sec. 5.6 DPLTA, an additional addition of this component to the discount rate is not considered appropriate.

Interest rate before personal tax

Term	Average interest rate p.a. for the months April to June 2023		
Rating/Term	BBB+/BBB/BBB-	BB+/BB/BB-	Average
8 years	4.26%	5.62%	4.94%
Rounded			**4.94%**

Source: Bloomberg, EY analysis

Determination of the reasonable compensation pursuant to Sec. 304 AktG

Determination of the gross and net compensation

Equity value as of 01.01.2024 (in EURm)	322.3
Number of shares (without treasury shares)	14,742,934
Value per share (in EUR)	21.86
Annuity interest rate	4.94%
Net compensation per share	**1.08**
add corporate income tax and solidarity surcharge	0.02
Gross compensation per share	**1.10**

Source: EY analysis

Calculation of the compensation

Currency: EUR	Gross compen-sation	./. Corporate income tax and solidarity surcharge	Net compen-sation
Proportionate compensation from profits subject to German corporate income tax (incl. solidarity surcharge)	0.13	0.02	0.11
Proportionate compensation from profits not subject to German corporate income tax (incl. solidarity surcharge)	0.97	-	0.97
Total compensation	**1.10**	**0.02**	**1.08**

Source: EY analysis

Determination of the annuity interest rate

Taking into account these analysis results and against the background of the current increase in yields of risk-free government bonds and corporate bonds, the annuity interest rate was set in favor of minority shareholders at 4.94%. The following calculation of the gross and net compensation amounts is based on a annuity interest rate of approximately 4.94%.

Determination of the gross and net compensation

The reasonable compensation is calculated based on the current corporate tax rate including solidarity surcharge. In its ruling of 21 July 2003 (file no. IIZB 17/01, "Ytong"), the federal supreme court determined that the reasonable compensation for the minority shareholders is the distributable average (fixed) gross profit share per share (before corporate income tax and solidarity surcharge) minus the corporate income tax payable by the company (distributable) corresponding to the applicable tax rate.

The calculation of the reasonable annual compensation - based on the determined equity value after personal taxes according to IDW S 1 as of 1 January 2024 amounting to EUR 21.86 per share - is shown in the top left table next to this text.

At the time of contract conclusion, the corporate income tax rate including solidarity surcharge is 15.825%. This results in a corporate income tax deduction including solidarity surcharge of EUR 0.02 per share. With an unchanged corporate income tax rate of 15.0% and solidarity surcharge of 5.5%, the appropriate gross compensation amount is EUR 1.10 per outstanding share (gross compensation amount per share). The appropriate compensation amount according to Sec. 304 AktG net (after deduction of corporate income tax including solidarity surcharge) per outstanding share amounts to EUR 1.08 (see table on the left next to this text.

Determination of the reasonable compensation pursuant to Sec. 304 AktG

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Determination of the gross compensation with net compensation of EUR 1.16

Net compensation per share	1.16
add corporate income tax and solidarity surcharge.	0.02
Gross compensation per share	**1.18**

Source: EY analysis

Gross and net compensation with net compensation amount of EUR 1.16 and split into share with/without profits charged with German KSt (incl. SolZ)

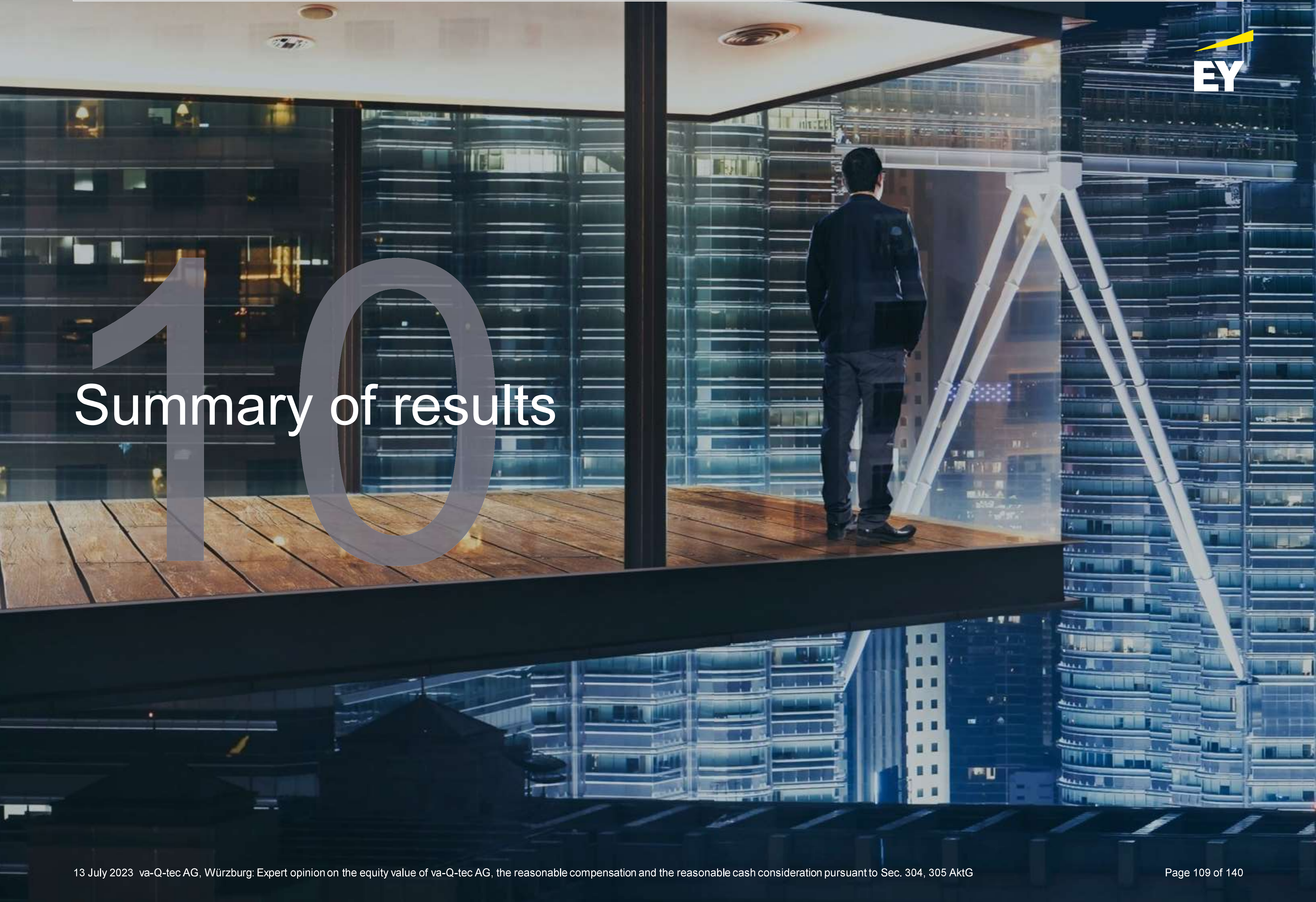
Currency: EUR	Gross compen-sation amount	./. Corporate income tax and solidarity surcharge	Net compen-sation amount
Proportionate compensation from profits subject to German corporate income tax (incl. solidarity surcharge)	0.13	0.02	0.11
Proportionate compensation from profits not subject to German corporate income tax (incl. solidarity surcharge)	1.15	-	1.15
Total compensation	**1.18**	**0.02**	**1.16**

Source: EY analysis

Supplementary calculation of the gross and net compensation amounts

Notwithstanding the calculation of the reasonable compensation amount according to Sec. 304 of the German Stock Corporation Act (AktG) net (after deduction of corporate income tax including solidarity surcharge) per outstanding share in the amount of EUR 1.08 (net compensation amount per share) or in the amount of EUR 1.10 (gross compensation amount per share) with an unchanged corporate income tax rate of 15.0% and solidarity surcharge of 5.5%, we have, as instructed, made an analogous calculation assuming a net compensation amount per outstanding share of EUR 1.16.

At the time of contract conclusion, the corporate income tax rate including solidarity surcharge is 15.825%. With a net compensation amount of EUR 1.16 per outstanding share (after deduction of corporate income tax including solidarity surcharge) and an unchanged corporate income tax rate of 15.0% including solidarity surcharge of 5.5%, a corporate income tax deduction of EUR 0.02 per share is incurred. Accordingly, the gross compensation amount per outstanding share amounts to EUR 1.18 (before deduction of corporate income tax and solidarity surcharge), see the table on the left bottom.



10 Summary of results

Conclusion

Determination of equity value and value per share

		29 Aug 2023
Equity value	**EURm**	**313.9**
Number of shares (without treasury shares)		14,742,934
Value per share	**EUR**	**21.29**

Source: Management information, EY analysis

Gross and net compensation

Net compensation per share	**1.08**
add corporate income tax and solidarity surcharge	0.02
Gross compensation amount per share	**1.10**

Source: EY analysis

Summary

The executive board of va-Q-tec and the management of Fahrenheit AcquiCo intend to conclude a domination and profit and loss transfer agreement (DPLTA) on 29 August 2023, or shortly thereafter, provided that the general meeting convened for 29 August 2023, agrees beforehand.

Through the DPLTA, Fahrenheit AcquiCo undertakes to acquire minority shares of va-Q-tec according to Sec. 305 AktG against a reasonable cash consideration. In addition, it guarantees a reasonable compensation to the minority shareholders of va-Q-tec during the term of the DPLTA according to Sec. 304 AktG through the DPLTA.

For this purpose, EY was engaged in the role of a neutral expert to determine the equity value of va-Q-tec as of 29 August 2023, and the reasonable compensation using recognized valuation methods. EY carried out the valuation using the IDW Standard: Principles for the Conduct of Enterprise Valuations (IDW S 1) as of 2008 (status as of July 2016).

The capitalized earnings method in the form of a calculation after personal income taxes was used as the valuation method for determining the equity value and the value per share. The capitalized earnings value exceeded the (projected) stock market price and the indicative determined liquidation value, which is why the capitalized earnings value had to be used for determining the equity value.

The plausibility of the equity value was additionally assessed by applying market multiples.

The compensation payment was determined assuming a market-based annuity of the equity value.

As of the valuation date of 29 August 2023, the equity value for va-Q-tec amounted to **EUR 313.9m.**

Based on 14,742,934 va-Q-tec shares (excluding treasury shares held by va-Q-tec), this corresponds to a reasonable cash consideration per va-Q-tec share of **EUR 21.29** according to Sec. 305 AktG. The reasonable compensation per va-Q-tec share was determined at **EUR 1.08** net or **EUR 1.10** gross before corporate income tax according to Sec. 304 AktG.

The determination of the reasonable compensation and the reasonable cash consideration was not part of EY's engagement, instead it is carried out by the executive board of va-Q-tec and the management of Fahrenheit AcquiCo on the basis of the contractual agreements in the domination and profit and loss transfer agreement between the contracting parties.

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Conclusion

Determination of equity value and value per share

		29 Aug 2023
Equity value	**EURm**	**313.9**
Number of shares (without treasury shares)		14,742,934
Value per share	**EUR**	**21.29**

Source: Management information, EY analysis

Gross and net compensation

Net compensation per share	**1.08**
add corporate income tax and solidarity surcharge	0.02
Gross compensation per share	**1.10**

Source: EY analysis

Should there be any significant changes between the completion of the work on 13 July 2023, and the resolution of the ordinary general meeting of va-Q-tec on 29 August 2023, which affect the value of the equity after personal taxes, these must be taken into account.

No particular difficulties in the valuation within the meaning of Sec. 293a (1) sentence 2 AktG occurred.

This expert opinion was prepared to the best of our knowledge and belief, based on careful analyses and with reference to the documents provided and information given.

Eschborn, 13 July 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Thomas Grohmann Wirtschaftsprüfer/Steuerberater [Certified public auditor/Tax advisor]	Harald Sablik Wirtschaftsprüfer [Certified public auditor]

11 Appendices

Appendix A: Valuation principles and methods

Methodological considerations on the capitalized earnings method

The valuation principles and methods described in this report are generally accepted in the current theory and practice of business valuation. They are reflected in IDW Standard S 1 "Principles for the Performance of Business Valuations" (IDW S 1, status as of 4 July 2016) issued by the IDW which sets forth the professional standards according to which auditors value companies. These applied principles and methods are also generally recognized by the German courts.

Valuation purpose and perspective

In the case at hand, the business valuation of va-Q-tec has been performed to meet the requirements of company law with regards to the planned conclusion of a profit and loss transfer agreement to derive a fair cash compensation pursuant to Sec. 305 AktG and a fair annual compensation pursuant to Sec. 304 AktG. Accordingly an objectified equity value was determined.

Cut-off date principle

Equity values are determined by reference to a cut-off date. The cut-off date for the valuation determines which net earnings are not taken into account because they have already been received by the existing owners of the entity, and from when the expected net earnings or net earnings already realized should be allocated to the future owners.

In addition, the valuation date takes into account the status of the information used in the valuation, in particular for the forecast of future net cash flows, the alternative investment reflected in the discount rate or the applicable tax laws.

In the case at hand, the equity value of va-Q-tec was determined as of 29 August 2023 (date of the annual shareholder meeting passing the resolution).

We completed our work on 13 July 2023. The valuation as of that date is based on the current budget and forecasts and takes into account all relevant circumstances until completion of the valuation work. The value thus determined would have to be revised if the valuation bases were to change prior to the valuation date of 29 August 2023.

1 January 2023 was chosen as the technical valuation date. The equity value determined as of this valuation date was compounded to the valuation date 29 August 2023.

According to Sec. 305 (3) AktG the circumstances of the entity on the date on which the resolution is passed by the general meeting must be taken into account when determining the cash consideration. The fair cash consideration should be calculated to ensure that the shareholders can leave the entity without suffering any economic disadvantage. Consequently, the entity needs to be valued after taking account of the assets existing on the valuation date. In order to do justice to this requirement, we will review on the valuation date whether any issues or circumstances of relevance to the valuation have occurred between the date of our report and the date of the general meeting.

Capitalized earnings method and discounted cash flow method

IDW S 1, para. 7 allows the equity value to be determined using either the capitalized earnings method or a discounted cash flow (DCF) method. Both valuation methods are essentially equivalent and, if the same assumptions are used, especially in terms of distribution, refinancing and reinvestment, they produce identical outcomes. Both methods are based on the same underlying investment theory (income approach) and calculate forecast net earnings/cash flows which are discounted to the valuation date.

The capitalized earnings method will be used to calculate the future earnings value of the Company for the purposes of this report.

Appendix A: Valuation principles and methods

Under the capitalized earnings method, the equity value is determined directly by discounting the expected net cash flows between the subject company and the owners in the form of distributions and capital contributions using a risk-adjusted cost of equity rate.

Historical, present and prospective business analysis

The expectations of future net cash flows are estimated based on the circumstances on the valuation date. The uncertainty surrounding future expectations is the critical factor in any business valuation. Information must be obtained as a basis for analysis of the business in the past, present and future.

The starting point for the forecast and plausibility test of future net earnings is an analysis of the historical performance of the subject company. The earnings actually generated in the past and the assets and liabilities of the subject company must be analyzed in light of historical market developments. These figures are adjusted for one-time and extraordinary, i.e., non-recurring, events.

Future net cash flows are forecast based on an analysis of historical performance and expected market developments. The anticipated development of future net earnings can be forecast more reliably and assessed more plausibly for a limited period in the near future than for later periods. As a result, valuation practitioners generally break a valuation down into two valuation phases. The first phase (detailed planning phase) is often an observation period of three to five years.

As individual net earnings cannot be forecast with sufficient probability after the detailed planning phase, a terminal value is estimated to reflect sustainable earnings in later years (second phase). The terminal value is calculated on the basis of the earnings in the first phase and analyses of the long-term financial and business performance, smoothed out over full business cycles.

Net cash flows and distribution assumption

When determining the net cash flows in the first phase, the current and future distribution policies of the subject company are taken into account. These are influenced by the level of equity, the tax situation, existing investment opportunities within the Company and possibly also by restrictions on dividend distributions imposed by commercial law. In addition, the distributions must be reconciled with the planned development of liquidity and refinancing options.

Full distribution of the projected profits can only be assumed if this is documented in the Company’s business plan, is permitted by law and is covered by sufficient liquidity. In the second phase, a standardized distribution rate is assumed that is equivalent to the distribution rate of an alternative investment.

Consideration of measures of synergy effects which have already been initiated and documented prior to the valuation date

When determining an objectified equity value, the value of a company rests on the earnings power existing on the valuation date, as reflected by the success factors already in existence. As such, the relevant earnings power can only derive from measures which have already been initiated prior to the valuation date or, at a minimum, are sufficiently documented in the business concept (“root theory”) (cf. IDW S 1, para. 32).

Furthermore, only so-called pseudo synergies are considered when determining the objectified equity value. These are synergies that can be achieved regardless of the purpose of the valuation. They are distinct from real synergies which only arise when the measure underlying the valuation goes ahead and which must not be taken into account when determining the objectified value. In addition, the root principle must be applied in considering pseudo synergies (i.e., the measures leading to synergies must have been initiated by the valuation date or at least sufficiently documented) (cf. IDW S 1, para. 34, 50).

Appendix A: Valuation principles and methods

Income tax effects

In keeping with the valuation purpose, which is to create an objectified basis of information in compliance with the provisions of corporate law, the income tax burden was taken into account in the form of indirect standardization in accordance with IDW S 1, para. 31, 44. This requires the valuation to be performed from the perspective of the owner who is assumed to be a resident natural person liable to unlimited taxation. In addition to the income tax burden on the level of the Company, the personal income tax is considered when determining the net earnings and the discount rate.

Hence, when determining the net cash flows, the income taxes of the Company and the owner must be considered. For (German) corporations, for example, trade tax, corporate income tax and the solidarity surcharge are deducted as income taxes at company level.

When valuing corporations, it must be borne in mind that under the German Business Tax Reform Act a flat-rate withholding tax is levied on investment income at the level of the owner of privately held shares. Flat-rate withholding tax is charged at a definitive rate of 25% plus the solidarity surcharge. As such, a full flat-rate withholding tax has been charged on dividend income since 1 January 2009. Capital gains on the sale of shares acquired after 1 January 2009 are also subject to the flat-rate withholding tax regardless of how long they are held before they are sold.

Due to the introduction of the flat-rate withholding tax system, "the value contribution from retention (share price growth) can now only theoretically be collected (completely) tax-free by the shareholder through infinite participation in the company's success. Possibilities of tax-free collection, e.g. through share buyback programs or through sale of the share as under the half-income method, are no longer possible due to the discontinuation of tax exemption for capital gains on share purchases from 1 January 2009. This qualitative change must be taken into account in the valuation calculation.

As the sustained growth in financial surpluses generates capital gains, this must be reduced by the tax consequences of capital gains taxation.

For the valuation of corporations and the direct standardization of personal income tax, additional assumptions must be made as to the length of time the shares are held in order to account for capital gains taxation in the form of flat-rate withholding tax (cf. IDW S 1, para. 44). Empirical evidence for estimating a standardized holding period to determine the effective capital gains tax rate is limited, but in response to the introduction of capital gains taxation, holding periods can, as a rule, be assumed to be lengthy.

In the case of fictitious attribution of the retention-related growth, both the inflation- or volume-related growth and the fictitiously attributed amount are to be charged with personal income taxes." (cf. WP Handbuch 2008, Wirtschaftsprüfung, Rechnungslegung, Beratung, Vol. II, 13th edition, p. 119, para. 326) In the valuation, this is to be reflected by a typified income tax rate. In line with the studies by Wagner/Saur/Willershausen (cf. Wagner/Saur/Willershausen: Zur Anwendung der Unternehmensbewertungsgrundsätze des IDW S 1 i.d.F. 2008 in der Praxis, WPg 2008, Heft 16, pp. 731-747), we have applied this rate at half of the flat-rate withholding tax rate including solidarity surcharge and thus at 13.1875%.

Appendix A: Valuation principles and methods

Methodological explanations of the discount rate

Economically speaking, the calculation of the equity value using the capitalized earnings method is a comparison of the attainable net distributions flowing from the Company to the owners with the return on an alternative investment. The basis for comparison is the cash flow generated from the best alternative use of capital compared with an investment in the subject company.

In connection with the present value calculation underlying the capitalized earnings method, the discount rate reflects an investor's alternative, comparing the return on its investment in a specific company with the return on a corresponding alternative investment in equities. In this context, the discount rate represents the return on an appropriate alternative investment that is equivalent to the cash flow to be capitalized in terms of duration, risk and taxation (cf. IDW S 1, section 7.2.4.1). This risk is taken into account in the methods commonly used in Germany and abroad by applying a premium to the discount rate (risk premium method) (cf. IDW S 1, para. 90).

In particular, capital market returns on equity investments (in the form of a share portfolio) can be used as a basis for determining alternative returns. In accordance with IDW S 1, section 7.2.4.1, such share returns generally have to be broken down into a base interest rate and a risk premium required by the owners in return for their assuming entrepreneurial risk. Capital market models such as the capital asset pricing model (CAPM) (see IDW S 1, section 7.2.4.1) can be used for such a breakdown.

According to the CAPM, the discount rate consists of the base interest rate and risk premium components. The sustainable future growth in net earnings during the terminal phase is considered in the valuation using a growth factor which is deducted from the discount rate.

The Tax-CAPM also enables the effect of personal income tax on the calculation of the base interest rate and the risk premium to be shown explicitly. This, in turn, enables income taxes to be taken into consideration in a consistent manner when determining the amount of net distributions and the discount rate.

Calculation of the cost of equity using the capital asset pricing model (CAPM)

r_E	= Cost of equity
r_{RF}	= Base interest rate/risk-free interest rate
MRP	= Market risk premium
β	= Beta factor

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Base interest rate

The purpose of the base interest rate is to determine a risk-free alternative investment (with an equivalent maturity) to an investment in the subject company. Being virtually safe, government bonds in Germany largely meet the risk-free requirement.

Strictly speaking, if a business is being valued under the premise of its going concern, the return on a similarly unlimited public bond observed on the valuation date should be used to establish the base interest rate for the equivalent maturity. In the absence of such “perpetual” bonds, it would appear sensible to use the return on long-term government bonds. The current yield curve can be used as a basis for the required reinvestment (IDW S 1, para. 117).

The IDW’s Technical Committee for Business Valuation and Economics [“Fachausschuss für Unternehmensbewertung und Betriebswirtschaft”: FAUB] addressed the question as to how the yield curve can be used to derive base interest rates (cf. IDW-Fachnachrichten no. 8/2005). According to the FAUB, the yield curve for government bonds should be used in this case to determine the objectified value. From this yield curve on the bond market, the relationship between interest rates and maturities as it would apply for zero-coupons with no credit risk can be determined. The zero-coupon bond interest rates for equivalent maturities derived from the yield curve ensure that the requirement of equivalent maturities is fulfilled (cf. Jonas/Wieland-Blöse/Schiffarth, FB 2004, p. 647 et seq.). The IDW recommends using the yield curve data published by Deutsche Bundesbank as a basis. In its meeting on 22 October 2019, the FAUB decided to maintain, without change, the approach for deriving the prime rate (cf. „Neue Kapitalkostenempfehlung des FAUB 25.10.1019“, published on 25 October 2019 on the IDW homepage).

To neutralize short-term market volatility and potential errors in estimates, particularly for the long-term returns relevant for business valuations, it may be appropriate to use average interest rates instead of only using the zero-coupon bond interest rates estimated as of the valuation date. To ensure practicable and transparent smoothing, period-specific average interest rates can be derived from the estimated returns of the previous three months.

As no market failure in relation to trade in German government bonds can be observed and no type of investment entailing less risk can be identified, we have used the return on German government bonds observable on the market as the best estimator for current risk-free returns despite historically high levels.

In determining the discount rate, the income tax burden incurred on the alternative investment from the final shareholders’ perspective needs to be considered. Flat-rate withholding tax including solidarity surcharge is charged at a rate of 26.375% on interest income.

Appendix A: Valuation principles and methods

Risk premium

An equity investment entails a greater risk than an investment in risk-free fixed-income securities. As opposed to an investment in risk-free government bonds – whose long-term expected return is reflected in the base interest rate – the level and timing of projected earnings from an investment in equities is subject to uncertainty.

Market players demand risk premiums on the interest rate of a risk-free investment to compensate them for the uncertainties relating to the risks and opportunities of a business investment and the development of future cash flows. When determining the objectified value, the risk premium should not be derived from the subjective risk propensity of an individual owner but rather from the general behavior or the expectations of the market.

Risk premiums can be derived from empirically determined returns on equities on the capital market using pricing models. In its standard form, the CAPM represents a capital market model in which costs of capital and risk premiums are stated without taking account of the effects of personal income tax. Returns on equities and risk premiums are generally influenced by the personal income tax of the shareholders. The Tax-CAPM is a variation of the CAPM which explicitly allows personal income tax to be considered when determining the base interest rate and risk premium.

According to this capital market model, the future returns expected on an investment can be calculated from the sum of the base interest rate and the market risk premium weighted with the beta factor, after personal income tax in each case.

Market risk premium

The risk premium can be defined as the difference between an investment in a widely diversified portfolio of shares subject to risk and an investment in risk-free instruments.

Capital market studies over many years have revealed that, in the past, investments in shares have generated higher yields than investments in low-risk bonds. Historical market risk premiums of between approximately 4.0% and 6.0% have been identified depending, among other factors, on the period selected.

On the basis of these studies (cf. e.g., Stehle 2004) and the tax system at the time, the IDW recommended recognizing a market risk premium before personal income tax within a range of 4.5% to 5.5% (cf. online report on the 95th meeting of the FAUB on 29 November 2007). After considering personal income tax, the IDW recommended using a market risk premium of between 4.0% and 5.0%.

In the course of the financial crisis, the FAUB discussed the possible effects of the present situation on the capital market, with its historically low risk-free interest rates, on calculating the discount rate based on the Tax-CAPM. In this connection, the FAUB recommended in its pronouncement of 10 January 2012 to examine in course of a business valuation whether the current situation on the capital market has to be taken into consideration (cf. IDW-Fachnachrichten 2009, p. 696 et seq.), by applying the market risk premium at the upper end of the recommended range of 4.5% to 5.5% (before personal income tax) or of 4.0% to 5.0% (after personal income tax).

Appendix A: Valuation principles and methods

The background to this pronouncement was the increased uncertainty on the capital markets as a result of the current financial market crisis and situation on the capital markets, and the associated risk.

At its 108th meeting on 27 August 2012, the FAUB again addressed the determination of the market risk premium in the current situation and decided to increase the recommended range of the market risk premium to 5.5% to 7.0% (before personal tax) and to 5.0% to 6.0% (after personal tax) (cf. guidance from the FAUB on accounting for the financial market crisis in determining the discount rate in business valuation, 19 September 2012).

At the meeting on 22 October 2019, a further increase in the recommended range of the market risk premium to 6.0% to 8.0% before personal income tax (previously 5.5% to 7.0%) or to 5.0% to 6.5% after personal income tax (previously 5.0% to 6.0%) was recommended due to developments on the capital market (cf. New cost of capital recommendations of the FAUB, 25 October 2019).

The FAUB has since reviewed and discussed this situation at each meeting. It must be noted that, according to the CAPM concept used for business valuation purposes, the market risk premium represents a residual amount reflecting the assumptions for determining total returns and returns on equity (that are observable on the capital market) and (observable) risk-free base interest rates and the market risk premium can therefore not be discussed separately from total return analyses (cf. Bertram/Castedello/Tschöpel, CF 2015, p. 468).

By design, the determination of the base interest rate reflects the current market environment in the form of real returns on German government bonds that have fallen significantly since the financial market crisis, while an unchanged historical market risk premium used in older recommended ranges would ignore the current capital market situation and would not allow, for example, a full CAPM-based recalculation of more recent total returns.

There are several approaches for measuring the market risk premium as an indirect difference, each of which has its own advantages and disadvantages, making none clearly superior to the rest. Consequently, a pluralistic approach aimed at an overall assessment appears more appropriate than an isolated analysis. As well as an analysis of historical returns on equities, this also includes, for example, an (historical) analysis of long-term real returns on equities and the use of (prospective) ex ante analyses of implied costs of capital. Below, we explain the above approaches in greater detail (for more background information, calculation bases and explanatory material, cf. Castedello/Jonas/Schieszl/Lenckner, WPg 2018, p. 806 et seq.).

The historical ex-post approach can be taken, involving examining the development of historical real returns aimed at either directly determining a market risk premium that is constant over time (historical approach) or defining the market risk premium as a residual amount from a real return on equities postulated as constant over time and the current risk-free interest rate as of the cut-off date (total market return approach).

Appendix A: Valuation principles and methods

Both approaches are based on returns on equities and bonds over a historical observation period, assumptions on appropriate averaging (arithmetical, geometrical, a combination of the two, length of the investment time slices etc.) and an analysis of nominal or real returns. The main differences relate to the order in which differences between the returns on equities and bonds analyzed are calculated and thus to the amount that is postulated as being constant (constant return on equities with residual market risk premium vs. constant market risk premium).

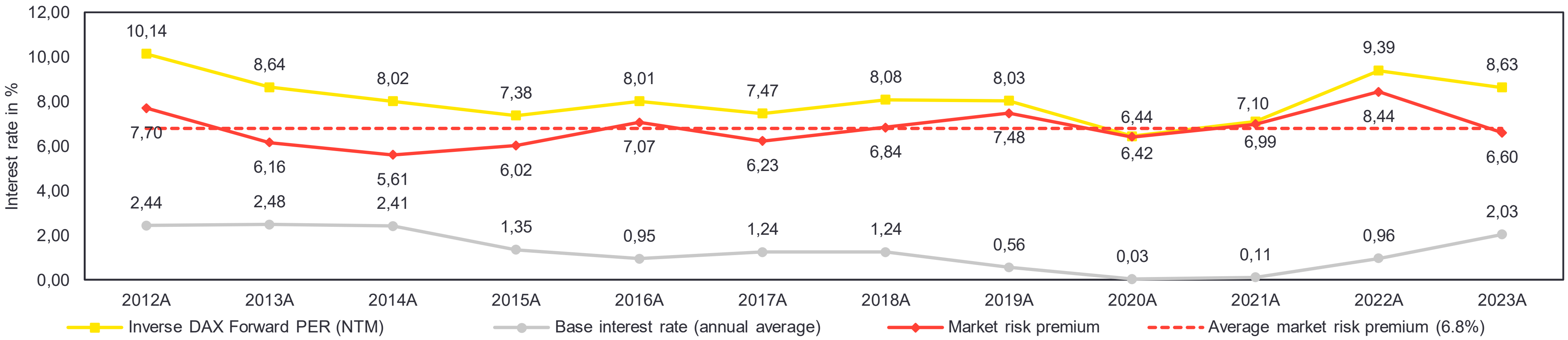
A CAPM-based model recalculation of the total return can illustrate the explanatory power of these methodological approaches for more recent capital market developments and thus also shed more light on the question of whether the market risk premium should be regarded as a long-term constant component (and therefore one that has remained unchanged both before and after the financial market crisis) within the expected total return on equity or as at least a partially variable component (in the risk-free interest rate environment). The figures chosen for the initial analysis are before personal tax (as post-tax returns are not empirically observable).

The chart below presents the observable returns on equities, calculated from the inverse of the 12 months forward price-earnings ratio (PER) (NTM) of the DAX, the development of the nominal base interest rate and a CAPM-based recalculation of the market risk premium.

It is evident that the stock return of the years 2017A to 2019A rises in contrast to the base interest rate, which drops distinctly in 2018A, and in this regard, since the drop in the risk-free interest rate is not matched by a proportional reduction in the stock return, there is at least partial respiration.

During the Covid-19 pandemic in 2020A to 2022A, the stock return increases in line with the base interest rate before falling distinctly in 2022A due to the base interest rate negatively impacting the economy.

Development of return on equities, base interest rates and CAPM-based recalculation of the total return



Source: Castedello / Jonas / Schieszl / Lenckner, WPg 2018, p. 817, supplemented by years from 2019A; EY analysis

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The display shows that (1) in most cases, it is only possible to recalculate most recent total returns from 2016 using the recommended ranges for the market risk premium as increased by the FAUB in October 2019 and (2) lower premiums for the pre-crisis years within the ranges recommended at the time by the FAUB (4.0% to 5.0% before 2008; 4.5% to 5.5% until 2011) were appropriate in retrospect (cf. Castedello/Jonas/Schieszl/Lenckner, WPg 2018, p. 814-816).

These are all indications that the market risk premium represents a component that is at least partially variable within the CAPM method for calculating the total return and that there has also been a real, at least partial, increase in the market risk premium on the capital markets in recent times. This backs up the increase in the recommended range by the FAUB in October 2019.

Back calculation of nominal market risk premiums (ex post)

Basis	Investment time slices	Return	Average	RM real (rounded)	Expected inflation	RM nominal	RF nominal	Market risk premium
CDAX, 1955 - 2017	One year	Real	arithm.	9.4%	1.7%	11.1%	1.3%	9.8%
CDAX, 1955 - 2017	30 years	Real	geom.	6.8%	1.7%	8.5%	1.3%	7.2%
FTS, 1955 - 2013	One year	Real	arithm.	9.7%	1.7%	11.4%	1.3%	10.1%
FTS, 1955 - 2013	30 years	Real	geom.	7.0%	1.7%	8.7%	1.3%	7.4%

Source: Castedello / Jonas / Schieszl / Lenckner, WPg 2018, p. 817.; EY analysis.

In addition to this (visual and empirical) assessment, historical time series of real returns on German equities can also be analyzed in order to perform a back calculation of nominal market risk premiums based on the assumption of expected values for real returns that are constant over time as well as estimates on expected inflation and recent base interest rates. The table below shows the calculated values for ex-post market risk premiums for selected time series, investment periods and averaging methods. The market risk premiums determined amount to approximately 7% and some even show a further upward trend. Consequently, this analysis in isolation also backs up the increase in the recommended range by the FAUB and the use of the upper end of the range (before personal tax) in the current interest rate environment.

Since ex-post approaches can involve uncertainties in terms of the theoretical model and have their occasional deficiencies, further analyses of the implied costs of capital including the ex-ante market risk premium can be performed in order to arrive at an overall assessment of the market risk premium in the current market environment using a variety of methods. This shifts the focus away from the past used in the ex-post approach towards an inclusion of the current capital market situation by using observable market values as of the analysis cut-off date and expected cash flows of listed companies (e.g., DAX companies) acquired from analyst estimates in order to calculate the value using the (implied) costs of capital and the market risk premium. These analyses show an implied market risk premium of approximately 7% as of the end of 2017.

Appendix A: Valuation principles and methods

The considerations above on ex-ante market risk premiums also indicate that the level has risen and remained at this higher level since the financial market crisis and back up the increase in the recommended range for Germany by the FAUB in October 2019 (to a range of 6.0% to 8.0% before personal tax or 5.0% to 6.5% after personal tax). As this recommendation is still valid and the FAUB's considerations and ranges at the time are substantiated by current market research (based on ex-post, ex-ante and real return-based analyses), we consider it appropriate to set the market risk premium within the range recommended by the IDW's FAUB. In light of the current low interest environment, this would be equivalent to setting a value for the market risk premium before personal tax in the upper half of the range.

However, the valuation purpose at hand calls for a direct standardization of the income tax burden and thus for the use of cost of capital and a market risk premium after personal tax. A direct calculation of a market risk premium after personal tax is not possible due to the complex interactions between withholding tax on distributions (dividend yield), capital gains (market returns) and base interest rate. Instead, a market risk premium after personal tax can be calculated via a reconciliation to a market return after personal tax and to a base interest rate after personal tax, with the market risk premium after personal tax comprising the difference between the two.

This simplified reconciliation can test the plausibility of the relationship between market risk premiums before and after personal tax. The adjacent table shows that the applied market risk premium of 5.75% can be derived from a market risk premium before personal taxes of 6.96%. Both values are thus within the current IDW recommendation range. In light of this, we consider it appropriate to measure the market risk premium after personal taxes at 5.75%, i.e. the midpoint of the current after-tax recommendation range of the IDW.

Relationship between market risk premiums before and after personal tax for plausibility purposes

	Before personal tax	Personal tax	After personal tax
Market return before pers. tax	**9.46%**		
Distribution rate	50.0%		
Dividend yield	4.73%	26.38%	3.48%
Earning yield	4.73%	13.19%	4.11%
Market return after pers. tax			**7.59%**
Base interest rate	(2.50%)	26.38%	(1.84%)
Market risk premium	**6.96%**		**5.75%**

Source: based on IDW, WPH Edition, Bewertung und Transaktionsberatung, ch. A para. 396.

Appendix A: Valuation principles and methods

Company-specific risk (beta factor)

According to the Tax-CAPM, the company-specific risk premium is the product of the market risk premium after tax and the beta factor. The beta factor reflects the risk of a specific stock in relation to all equities (market portfolio). A beta factor of more than 1.0 means an above-average systematic risk compared to the overall market, while a beta factor of less than 1.0 means a lower than average risk in comparison to the overall market.

As a rule, beta factors are established as far as possible on a market basis using historical price data with the assistance of regression analyses. If the subject company is itself listed on a stock market, its own beta factor can be applied in certain circumstances.

If the subject company is not listed or its own beta factor cannot be used for other reasons, the average beta factor of a peer group can be applied. Here, care must be taken to ensure that the companies included in the peer group have a systematic risk comparable to that of the subject company.

The level of the observed beta factors depends on the selected parameters, in particular the selected observation period, the selected return interval and the reference index used. It is therefore necessary to base the calculation on a period which can also be considered as representative for the Company's future risks. In the choice of the beta factor it must also be taken into account that the capital structure has an influence on the beta factor. As a rule, a higher debt-equity ratio results in a higher beta factor and a lower debt-equity ratio results in a lower beta factor.

Growth discount

Budgets and forecasts are usually based on nominal amounts and inflation-related effects in the detailed planning phase are reflected directly in the budgeted income and expense items. By contrast, in phase two (i.e., for the period after the detailed planning phase) the price-related growth in net earnings is accounted for in the valuation by applying a deduction to the discount rate.

The amount of the growth discount applied is company-specific and is mainly dependent on the extent to which the company is in a position to compensate for inflation-induced price rises by passing them on to customers or by improving efficiency. Countervailing effects from efficiency increases and technological progress must also be taken into account here (cf. IDW, WPH Edition 2018, Bewertung und Transaktionsberatung, ch. A para. 424 et seq.)

In principle, this is an expert estimate that takes into account the aforementioned considerations.

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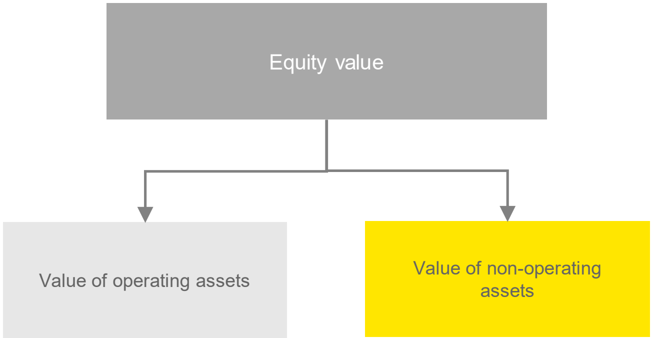
Appendix A: Valuation principles and methods



Source: EY Presentation

Methodological explanations of special values, liquidation value, and asset value

Special values / non-operating assets

The capitalized earnings value of the subject company only reflects the value of the operating assets. The valuation has to be supplemented if the Company has non-operating assets at its disposal. Assets that can be sold individually without impairing the Company's ability to continue as a going concern or actual operations are considered separately from the capitalized earnings valuation of the operating units in the amount of the net income from their individual sale, and included in the equity value.

Liquidation value

Should it prove more advantageous to sell the assets of the Company separately rather than to maintain a going concern, the sum of the net proceeds generated by the sale (the liquidation value) is taken as the (minimum) equity value.

Since there is no obvious reason for the liquidation of the subject company in the case at hand, liquidation (break-up) is not an alternative to continuing the business as a going concern, particularly in light of the costs which would be incurred for redundancy plans, terminating contracts and services still to be rendered.

Net asset value

The calculation of the value of the Company's net assets based on replacement costs is the basis for the reconstruction value or net asset value of the company which, due to the fact that intangible assets are generally not captured and measured fully by this process (e.g., value of the organization, position on the market, reputation, etc.), is only a partial reconstruction value. This is only of independent relevance in a few exceptional cases (e.g., if the best alternative use of capital would be to reconstruct the Company). In the case at hand, the net asset value of the Company is not relevant and was therefore not determined.

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Peer group

The peer companies were selected on the basis of international listed competitors with comparable business models and product portfolios, whose business focus is in the Insulation, Biopharma, Pharma Business Services and Logistics, Pharma-exposed Packaging, and Rental Business Services sectors and which are comparable to va-Q-tec in terms of their systematic risk.

Peer group description

Company	Description	Country
Aspen Aerogels, Inc.	Aspen Aerogels, Inc. designs, develops, manufactures, and sells aerogel insulation products primarily for use in the energy infrastructure and sustainable insulation materials markets in the United States, Asia, Canada, Europe, and Latin America. The company offers PyroThin thermal barriers for use in lithium-ion batteries in electric vehicles and energy storage industries; Pyrogel XTE that reduces the risk of corrosion under insulation in energy infrastructure operating systems; Pyrogel HPS for applications within the power generation market; Pyrogel XTF to provide protection against fire; Cryogel Z for sub-ambient and cryogenic applications in the energy infrastructure market; and Spaceloft Subsea for use in pipe-in-pipe applications in offshore oil production. It also offers Spaceloft Grey and Spaceloft A2 for use in the sustainable insulation materials market; and Cryogel X201, which is used in designing cold systems, such as refrigerated appliances, cold storage equipment, and aerospace systems. The company was founded in 2001 and is headquartered in Northborough, Massachusetts.	USA
Azenta, Inc.	Azenta, Inc. provides life science sample exploration and management solutions for the life sciences market in North America, Europe, China, the Asia Pacific, and internationally. The company operates through two reportable segments, Life Sciences Products and Life Sciences Services. The Life Sciences Products segment offers automated cold sample management systems for compound and biological sample storage; equipment for sample preparation and handling; consumables; and instruments that help customers in managing samples throughout their research discovery and development workflows. The Life Sciences Services segment provides comprehensive sample management programs, integrated cold chain solutions, informatics, and sample-based laboratory services to advance scientific research and support drug development. This segment's services include sample storage, genomic sequencing, gene synthesis, laboratory processing, laboratory analysis, biospecimen procurement, and other support services. It serves a range of life science customers, including pharmaceutical companies, biotechnology companies, biorepositories, and research institutes. The company was formerly known as Brooks Automation, Inc. and changed its name to Azenta, Inc. in December 2021. Azenta, Inc. was founded in 1978 and is headquartered in Burlington, Massachusetts.	USA

Source: S&P Capital IQ.

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Peer group description

Company	Description	Country
BEWi ASA	BEWi ASA provides packaging components and insulation solutions internationally. The company operates through RAW, Packaging & Components (P&C), Insulation & Construction (I&C), and Circular segments. The RAW segment produces raw materials, including white and grey expanded polystyrene, general purpose polystyrene, and BioFoam made from organic materials. The P&C segment manufactures and sells standard and customised solutions for various industrial sectors, including boxes for transportation of fish and other foods, protective packaging for fine goods, and technical and automotive components. The I&C segment manufactures a range of solutions for insulation and infrastructure, as well as systems for the building and construction industry. The Circular segment collects and recycles used material, including initiatives to raise knowledge and awareness about recycling and waste management. The company sells its products to food, pharmaceutical, automotive, hobby and leisure, residential housing, and thermal insulation industries. The company was founded in 1980 and is headquartered in Trondheim, Norway. BEWi ASA is a subsidiary of BEWI Invest AS.	Norway
BioLife Solutions, Inc.	BioLife Solutions, Inc. develops, manufactures, and supplies bioproduction tools and services for the cell and gene therapy industry in the United States, Canada, Europe, the Middle East, Africa, and internationally. The company's products are used in the basic and applied research, and commercial manufacturing of biologic-based therapies. It offers proprietary biopreservation media products, including HypoThermosol FRS and CryoStor that are formulated to mitigate preservation-induced, delayed-onset cell damage and death; and the ThawSTAR line that includes automated vial and cryobag thawing products that control the heat and timing of the thawing process of biologic materials. The company also provides evo shipping containers that are cloud-connected passive storage and transport containers for temperature-sensitive biologics and pharmaceuticals; ultra-low temperature mechanical freezers; liquid nitrogen laboratory freezers, cryogenic equipment, and accessories; and biological and pharmaceutical storage services. It markets and sells its products directly, as well as through third party distributors. BioLife Solutions, Inc. was incorporated in 1987 and is headquartered in Bothell, Washington.	USA
Byucksan Corporation	Byucksan Corporation manufactures and distributes building and construction materials in South Korea. The company offers ceiling systems, such as insulating, nonflammable, and sound-absorbing ceiling tiles; insulation systems, including glass wool, mineral wool, vacuum and gigh-pressure extruded polystyrene foam insulation, and polyester sound absorption insulation tile products; and exterior systems comprising prefabricated panels, baritone panels, terasolids, glass wool panels, and polyurethane panels. It also provides interior systems consisting of gypsum boards, cellulose fiber reinforced cement boards, and composite boards; and floor systems, such as OA, access, PVC type, and jinmaru floor systems. The company was formerly known as Korea Slate Ind., Co., Ltd. and changed its name to Byucksan Corporation in February 1983. Byucksan Corporation was founded in 1958 and is headquartered in Seoul, South Korea.	South Korea

Source: S&P Capital IQ.

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Peer group description

Company	Description	Country
Carrier Global Corporation	Carrier Global Corporation provides heating, ventilating, and air conditioning (HVAC), refrigeration, fire, security, and building automation technologies worldwide. It operates through three segments: HVAC, Refrigeration, and Fire & Security. The HVAC segment provides products, controls, services, and solutions to meet the heating, cooling, and ventilation needs of residential and commercial customers. Its products include air conditioners, heating systems, controls, and aftermarket components, as well as aftermarket repair and maintenance services and building automation solutions. The Refrigeration segment offers transport refrigeration and monitoring products and services, as well as digital solutions for trucks, trailers, shipping containers, intermodal applications, food retail, and warehouse cooling; and commercial refrigeration solutions, such as refrigerated cabinets, freezers, systems, and controls. The Fire & Security segment provides various residential, commercial, and industrial technologies, including fire, flame, gas, smoke, and carbon monoxide detection; portable fire extinguishers; fire suppression systems; intruder alarms; access control systems; video management systems; and electronic controls. Its other fire and security service offerings comprise audit, design, installation, and system integration, as well as aftermarket maintenance and repair and monitoring services. The company offers its products under the Autronica, Det-Tronics, Edwards, Aritech, Fireye, GST, Kidde, LenelS2, Marioff, Onity, and Supra; Carrier, Toshiba, Automated Logic, Bryant, CIAT, Day & Night, Heil, NORESCO, and Riello; and Carrier Commercial Refrigeration, Carrier Transicold, and Sensitech brands. The company was incorporated in 2019 and is headquartered in Palm Beach Gardens, Florida.	USA
Cryoport, Inc.	Cryoport, Inc. provides temperature-controlled supply chain solutions in biopharma/pharma, animal health, and human reproductive medicine markets in the Americas, Europe, the Middle East, Africa, and the Asia Pacific. It operates in two segments: Global Logistics Solutions and Global Bioservices. The company offers Cryoport Express Shippers; Cryoport ELITE -80° C Gene Therapy Shipper; Cryoport ELITE Cryosphere Shipper; Cryoport consulting services, including physical, thermal, and shipping qualifications of shipping systems and/or packaging to developing custom packaging solutions; and Cryoport bioservices, such as controlled temperature storage, fulfilment, kit production, secondary packaging, labelling of therapeutic products, and GMP raw materials storage services. It also provides CRYOGENE, an unparalleled solution that offers pre-clinical temperature-controlled biological materials management services comprising specimen storage, processing, collection, and retrieval; CRYOPD, a temperature-controlled logistics solution, which include temperature-controlled packaging and transport solutions from cryogenic temperature to controlled ambient; and IntegriCell services that comprise apheresis/leukapheresis collection, Cryoshuttle transportation, cryo-process optimization and processing. In addition, the company offers MVE Biological Solutions' Fusion cryogenic system, a self-sustaining cryogenic freezer; and MVE Biological Solutions' Vario cryogenic system, a cryogenic freezer system that supports temperatures between -20° C and -150° C. Further, it provides biological specimen cryopreservation storage and maintenance; archiving, monitoring, tracking, receipt, and delivery of samples; frozen biological specimens transportation; and incoming and outgoing biological specimens management; and short-term logistics and engineering consulting services. Cryoport, Inc. was founded in 1999 and is headquartered in Brentwood, Tennessee.	USA

Source: S&P Capital IQ.

Appendix B: Peer group companies

Peer group description

Company	Description	Country
DSV A/S	DSV A/S offers transport and logistics services in Europe, the Middle East, Africa, North America, South America, Asia, Australia, and the Pacific. It operates through three segments: Air & Sea, Road, and Solutions. The company provides air freight, air freight compliance and carrier, and rail freight services; sea freight, and sea freight compliance and carrier services, as well as freight containers. It also offers road freight services, such as part and full loads, groupage, specialized transport, express, and online and document handling services; and workshops. In addition, the company provides logistics solutions for automotive, consumer products, healthcare, high-tech, and industrial sectors; and inventory management solutions. Further, it offers special project transport services, such as industrial projects, renewable energy, government logistics, ship charter, and air charter services; and courier and warehousing services. The company was formerly known as DSV Panalpina A/S and changed its name to DSV A/S in September 2021. DSV A/S was incorporated in 1976 and is based in Hedehusene, Denmark.	Denmark
Eckert & Ziegler AG	Eckert & Ziegler Strahlen- und Medizintechnik AG, through its subsidiaries, manufactures and sells isotope technology components for medical, scientific, and industrial applications worldwide. It operates in two segments, Medical and Isotope Products. The Medical segment offers small radioactive implants for the treatment of prostate cancer seeds; and eye application based on ruthenium-106 or iodine-125 for treating uveal melanoma. This segment also provides radiopharmaceuticals, laboratory equipment, radiosynthesis equipment, quality-control equipment, and other consumables. The Isotope Products segment manufactures and sells standard and radiation sources for medical and industrial sectors. This segment offers calibration related sources for radioisotopes. Eckert & Ziegler Strahlen- und Medizintechnik AG was founded in 1992 and is based in Berlin, Germany.	Germany

Source: S&P Capital IQ.

Appendix B: Peer group companies

Peer group description

Company	Description	Country
IMCD N.V.	IMCD N.V. distributes, markets, and sells specialty chemicals and ingredients in the Netherlands, rest of Europe, the Middle East, Africa, North America, South America, and the Asia-Pacific. The company offers bioactives, biocides, chelates, functional additives, rheology modifiers, silicones, solubilisers, and solvents; active pharmaceutical, agrochemicals, biopharma, excipients and formulation, nutraceuticals, and regulated synthesis; actives, UV sunscreens, rheology modifiers, thickeners, surfactants, emulsifiers, emollients, elastomers, humectants, waxes, film formers, functional powders, hair styling polymers, hair conditioners, solvents, solubilizers, pigments, pearls, colorants, opacifiers, pearlisers, preservatives, antioxidants, additives, fragrances, and essential oils; and resins and binders, additives, functional fillers, and specialty solvents. It also provides taste, texture, nutrition, and function; base oil, fuel addictive, lubricants addictive, lubricants finished fluids, solvents, degreasers and fuel, compounds, and upstream, midstream and downstream oil, gas and energy; bio-based chemicals, binders, corrosion inhibitors, catalysts, intermediates, monomers, organic building blocks, processing aids, reactive diluents, solvents, and surfactants. IMCD N.V. was founded in 1995 and is headquartered in Rotterdam, the Netherlands.	Netherlands
Medios AG	Medios AG, together with its subsidiaries, supplies specialty pharmaceutical drugs in Germany. It operates through Pharmaceutical Supply and Patient-Specific Therapies segments. The Pharmaceutical Supply segment offers products on oncology, neurology, autoimmunology, ophthalmology, infectiology, and hemophilia diseases. The Patient-Specific Therapies segment manufactures medications for patients on behalf of pharmacies. This segment includes cytostatic infusion preparations, antibody therapies, virostatic and antibiotic medications, parenteral nutrition solutions, and investigational medicinal products. The company was founded in 2016 and is headquartered in Berlin, Germany.	Germany
Recticel SA/NV	Recticel SA/NV manufactures and markets polyurethane foams for the engineered foams, insulation, and other applications. Its Engineered Foam business line provides solutions for various areas, such as silencing, sealing, filtering, carrying, protecting, supporting, and comforting. The company also provides comfort foams, which primarily comprise bulk commodities for upholstered furniture and mattresses; and technical foams, which are used in a range of applications, such as sealing and silencing in passenger cars and industrial equipment, sponges, scouring pads, filters, paint rollers, and packaging. Its Insulation business line offers thermal and acoustic insulation products used in construction projects. The company has operations in Belgium, France, the Netherlands, the United Kingdom, Germany, other European Union countries, and internationally. The company was founded in 1896 and is headquartered in Brussels, Belgium.	Belgium

Source: S&P Capital IQ.

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Peer group description

Company	Description	Country
Sartorius Aktiengesellschaft	Sartorius Aktiengesellschaft provides bioprocess solutions and lab products and services worldwide. It offers multi-parallel, benchtop, single-use, stainless steel, cell culture, rocking motion, and microbial bioreactors, as well as software apps for bioreactors and cell culture shake flask; fermenters; cell culture media products; cellcelector flex, incubator flowbox, nanowell arrays, and capillaries and tips; fluid management products; microbiology products; and membrane filters, glass and quartz microfibre filters, syringeless and in-line filters, lab chromatography, and filters and blotting papers. The company also provides live-cell analysis systems, reagents and consumables, and live-cell imaging and analysis software; equipment manufacturer membranes and devices, weigh cells, and data analytics, as well as connectivity, and pipetting and dispensing modules; electronic and mechanical pipettes, pipette tips, bottle-top dispensers, and pipette controllers and accessories; process automation platform and software, sensors and analyzers, biomolecule analysis tools, and data analytics software; chromatography consumables, columns, and systems; and detection systems, sensor chips and consumables, systems, biosensors and kits, compliance tools, and systems software. Further, it offers water purification systems; lab balances, pipette calibration, mass comparators and metrology, moisture analyzers, equipment manufacturer cells, weights and weight sets, paint mixing solutions, and weighing accessories; and process filtration. Further, it provides bioprocess consulting and engineering, media and process, instrument, system service and support, and validation services. It serves the life science research, biopharmaceutical manufacturing, pharmaceutical quality control, cell and gene therapy, and applied industries. Sartorius Aktiengesellschaft was founded in 1870 and is headquartered in Göttingen, Germany.	Germany
Sonoco Products Company	Sonoco Products Company, together with its subsidiaries, designs, develops, manufactures, and sells various engineered and sustainable packaging products in North and South America, Europe, Australia, and Asia. The company operates through two segments: Consumer Packaging and Industrial Paper Packaging. The Consumer Packaging segment offers round and shaped rigid paper, steel, and plastic containers; metal and peelable membrane ends, closures, and components; thermoformed plastic trays and enclosures; and high-barrier flexible packaging products. The Industrial Paper Packaging segment provides paperboard tubes, cones, and cores; paper-based protective packaging products; and uncoated recycled paperboard products. Sonoco Products Company also offers various packaging materials, including plastic, paper, foam, and other specialty materials. The company sells its products in various markets, which include paper, textile, film, food, packaging, construction, and wire and cable. Sonoco Products Company was founded in 1899 and is headquartered in Hartsville, South Carolina.	USA

Source: S&P Capital IQ.

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Peer group description

Company	Description	Country
STEICO SE	STEICO SE develops, produces, and markets ecological construction products made of renewable raw materials worldwide. The company offers flexible and stable wood fiber insulation panels, and facade insulation materials; and sealing products for the building shell. It also provides cavity wall insulation made of wood fibers and cellulose. In addition, the company provides construction products, such as I-joists and laminated veneer lumber products; fibreboards for pinboards or door fills, as well as other products for industrial applications; and natural fibre boards, which is used in furniture industry. Further, it is involved in the timber wholesale business; and provision of seminar services to train craftsmen, architects, and trade representatives, as well as people building their own homes. The company was founded in 1986 and is based in Feldkirchen, Germany. STEICO SE is a subsidiary of Schramek GmbH.	Germany
Von Roll Holding AG	Von Roll Holding AG produces and distributes electrical insulation materials, winding wires, resins, varnishes, and composite materials in Europe, the Middle East, Africa, Asia, and the Americas. It operates in two segments, Von Roll Insulation and Von Roll Composites. The Von Roll Insulation segment offers electrical insulation products, systems, and services for generators, high- and low-voltage motors, electric vehicles, transformers, and other applications. The Von Roll Composites segment produces composite materials and machined parts for various industries. The company’s products include mica products for high-voltage insulation; coils and insulated flat wires for high- and low-voltage markets and electronic applications; mica tapes for fire-resistant cables; impregnation and potting resins; encapsulating and conformal coatings for high- and low-voltage applications; insulating flexible materials suited for low-voltage applications, such as flexible laminates and slot insulation; and engineered materials. It also provides defense and security systems for security and protection based on thermoset/thermoplastic products; electrical, thermal, and mechanical testing of individual materials, as well as complete insulating systems; and training services in high- and low-voltage insulation. The company was founded in 1803 and is based in Breitenbach, Switzerland.	Switzerland

Source: S&P Capital IQ.

Appendix C: Essential documents

Essential documents received

For the execution of the engagement, we essentially had the following documents at our disposal:

- Draft of the joint report of the executive board of va-Q-tec AG, Würzburg, and the management of Fahrenheit AcquiCo GmbH, Frankfurt am Main, according to Sec. 293a AktG on the domination and profit and loss transfer agreement between va-Q-tec AG, Würzburg, and Fahrenheit AcquiCo GmbH, Frankfurt am Main, as of 13 July 2023;
- Draft of the domination and profit and loss transfer agreement as of 13 July 2023;
- Latest corporate planning adopted by the committees for the financial years 2023 to 2026, consisting of planned profit and loss accounts, planned balance sheets, and planned cash flow statements, including explanations of the planning process and planning assumptions;
- Reports of Rödl & Partner GmbH auditing company, tax consulting company, Berlin, and Nuremberg on the audit of the annual financial statements and management report of va-Q-tec AG and the Group financial statements and Group management report of va-Q-tec AG as of 31 December 2020, 31 December 2021, and 31 December 2022;
- Financial Fact Book, Business Plan Addendum, and Tax Fact Book of va-Q-tec AG from PricewaterhouseCoopers GmbH auditing company dated 17 October 2022;
- Actual financial data of the individual companies of va-Q-tec AG for the years 2021 and 2022;
- Actual financial data on profit and loss accounts and balance sheets of va-Q-tec AG, including its subsidiaries for the first quarter of 2023;
- Information on tax results, tax loss carryforwards, and other aspects of the tax situation of va-Q-tec AG;
- Commercial register extract of va-Q-tec AG, HRB 7368 Commercial Register B of the Würzburg Local Court;
- Articles of association of va-Q-tec AG due to the resolution of the general meeting on 2 June 2022 certified on 22 September 2022;
- Protocols of the general meetings of va-Q-tec AG for the year 2022;
- Supervisory board protocols of va-Q-tec AG from 26 March 2021 to 14 June 2023;
- Management presentations of va-Q-tec AG regarding company profile and product portfolio;
- Fairness opinion letter of va-Q-tec AG from ParkView Partners GmbH dated 23 January 2023;
- Selected market studies and analyses.

Appendix D: Abbreviations

Abbreviation	Explanation
A	actual
a.M.	am Main
AEX	Amsterdam Exchange Index
AG	Aktiengesellschaft [German stock corporation]
agg.	aggregated
AKtE	Aktenzeichen [File reference number]
AktG	Aktiengesetz [German Stock Corporation Act]
Apr	April
arithm.	arithmetic
Aug	August
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht [German Financial Supervisory Authority]
BGH	Bundesgerichtshof [German Federal Court of Justice]
BVerfG	Bundesverfassungsgericht [Federal Constitutional Court of Germany]
BVerfGE	Entscheidungen des Bundesverfassungsgerichts [Official decision made by the Federal Constitutional Court of Germany]
BvR	Verfassungsbeschwerde [Constitutional complaint]
CAGR	compound annual growth rate
CAPM	Capital Asset Pricing Model
CCS	Cross Currency Swaps
CDAX	Composite-DAX [Composite german stock index]
cf.	confer [compare]
ch.	chapter
CHF	Swiss franc
CIQ	Capital IQ
Client	Fahrenheit AcquiCo GmbH and va-Q-tec AG
Company	va-Q-tec AG

Abbreviation	Explanation
cons.	consolidated
CPI	Consumer Price Index
DAX	Deutscher Aktienindex [German stock index]
DCF	Discounted Cash Flow
Dec.	December
Delta	Difference
DPLTA	Domination and profit and loss transfer agreement
Dr.	Doctor
e.g.	exempli gratia [for example]
e.V.	Eingetragener Verein [German registered association]
EBIT	Earnings before Interest and Taxes
EBITDA	Earnings before Interest, Taxes, Depreciation, and Amortisation
EBT	Earnings before Taxes
ECJ	European Court of Justice
E-Commerce	Electronic commerce
ERP	Enterprise Resource Planning
et al.	et alia [and others]
et seg.	et sequentes [and the following]
EUR	euro
EY	Ernst & Young
FAUB	Fachausschuss für Unternehmensbewertung und Betriebswirtschaft
FC	forecast
FDA	Food & Drug Administration
Feb	February
FTE	Full Time Employee

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Abbreviation	Explanation
FY	Fiscal Year
FYXXA	Fiscal Year XX Actual
G.K.	Gōdō gaisha [Japanese limited liability company]
GDP	Global Gross Domestic Product
geom.	geometric
GmbH	Gesellschaft mit beschränkter Haftung [German limited liability company]
HGB	Handelsgesetzbuch [German Commercial Code]
HQ	headquarter
HRB	Handelsregister B (Commercial Register B)
i.e.	id est [that is]
IAS	International Accounting Standards
IAS 17	Accounting standards applicable to leases
IAS 8	Accounting standards regarding changes in accounting estimates and errors
IDW	Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany]
IDW S 1	Principles for the Conduct of Business Valuations of the Institute of Public Auditors in Germany
IFRS	International Financial Reporting Standards
Inc.	incorporated
incl.	including
Ind.	independent
ISIN	International Securities Identification Number
Jan	January
Jul	July
Jun	June
k	thousand
KAX	Copenhagen Exchange Index

Abbreviation	Explanation
Ltd.	limited
Ltda.	Sociedade de responsabilidade limitada [Brasilian limited liability company]
m	million
Mar	March
MD	Managing Director
MDAX	Mid-Cap-Dax [Mid-cap german stock index]
MRP	Market risk premium
n.a.	not available [not significant]
no.	number
Nov	November
NTM	Next Twelve Month
OBX	Oslo Stock Exchange
Oct	October
OEM	Original Equipment Manufacturer
P&L	Profit and loss statement
p.	page
p.a.	per annum [per year]
para.	paragraph
PCMs	Phase Change Materials
PER	Price Earnings Ratio
pers.	personal
pp.	pages
PPI	Producer Price Index
Pte. Ltd.	Private limited company
Q	Quarter

Appendix D: Abbreviations

Abbreviation	Explanation
rE	Cost of Equity
RF	Base interest rate
RM	Return of market
S&P	Standard&Poor's
S.A.	Sociedades Anónimas [Uruguayan corporation]
S.a.r.l.	Société á resposabilité limitée [Private limited liability company]
Sep	September
SWOT	Strengths, Weaknesses, Opportunities, and Threats
T&I	Technology and Industry
TempChain	Temperature controlled supply chain
TEnEff	Thermal Energy Efficiency
TV	Terminal Value
UK	United Kingdom
USD	United States Dolllar
VIPs	Vacuum Insulation Panels
VWAP	Volume Weighted Average Price
WHO	World Health Organization
WPg	Die Wirtschaftsprüfung [German journal covering primarily audit topics]
WpHG	Wertpapierhandelsgesetz [German Securities Trading Act]
WpÜG	Wertpapiererwerbs- und Übernahmegesetz [German Securities Acquisition and Takeover Act]
WpÜG-AngVO	Wertpapiererwerbs- und Übernahmegesetz-Angebotsverordnung [Securities Acquisition and Takeover Act Offer Ordinance]
XETRA	Electronic trading system of Deutsche Börse AG
β	Beta factor

Appendix D: Abbreviations

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Appendix E: General Terms and Conditions

GENERAL TERMS AND CONDITIONS

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft

as of October 2021

This is an English translation of the German text (please refer to www.ey.com/aab and the section "Non-Assurance Dienstleistungen"), the German text being the sole authoritative version.

Structure

1. These General Terms and Conditions, together with the Cover Letter, any applicable Statement of Work and any annexes, form the contractual structure for the provision of Services by EY to Client.

2. For the purposes of this Agreement, "party" means either EY or Client.

3. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless agreed otherwise): (a) the Cover Letter, (b) the applicable Statement of Work and any annexes thereto (including – as the case may be – the Fee Arrangement), (c) these General Terms and Conditions, and (d) other annexes to this Agreement.

Definitions

4. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Cover Letter or applicable Statement of Work. The following terms are defined as specified below:

(a) "Client Affiliate" means a company which is affiliated to Client in the sense of Section 15 AktG [German Stock Corporation Act: *Aktiengesetz*].

(b) "Client Information" means information obtained by EY from Client or from a third party on Client's behalf.

(c) "Deliverables" means any advice, communications, information, technology or other content that EY provides under this Agreement.

(d) "EY Firm" means a member of the EY network and any entity operating under a common branding arrangement with a member of the EY network.

(e) "EY Persons" means EY's or any other EY Firm's subcontractors, members, shareholders, directors, officers, partners, principals or employees.

(f) "Internal Support Services" means internal support services utilized by EY, including but not limited to: (a) administrative support, (b) accounting and finance support, (c) network coordination, (d) IT functions including business applications, system management, and data security, storage and recovery, and (e) conflict checking, risk management and quality reviews.

(g) "Personal Data" means Client Information relating to identified or identifiable natural persons.

(h) "Report" means a Deliverable (or any portion of a Deliverable) issued on EY letterhead or under the EY brand or otherwise identifiable as being prepared by or in association with EY, any other EY Firm or EY Person.

(i) "Support Providers" means external service providers of EY and other EY Firms and their respective subcontractors.

(j) "Tax Advice" means tax matters, including tax advice, tax opinions, tax returns or the tax treatment or tax structure of any transaction to which the Services relate.

(k) „*Textform*" refers to Section 126b BGB [German Civil Code: *Bürgerliches Gesetzbuch*] and means a readable declaration on a durable medium (e.g. via email).

Provision of the Services

5. EY will provide the Services in accordance with the German Principles of Proper Professional Conduct (*"Grundsätze ordnungsmäßiger Berufsausübung"*).

6. EY may subcontract a portion of the Services to one or more EY Firms, as well as to other third parties, who may deal with Client directly. EY will remain solely responsible to Client for the performance of the Services.

7. EY will act as an independent contractor and not as Client's employee, agent or partner. Client will remain solely responsible for management decisions relating to the Services and for determining whether the Services are appropriate for its purposes. Client shall assign qualified personnel to oversee the Services as well as the use and implementation of the Services and Deliverables.

8. Client agrees to promptly provide to EY (or cause others to so provide) Client Information, resources and assistance (including access to records, systems, premises and people) that EY reasonably requires to perform the Services.

9. Client Information will be accurate and complete. EY will rely on Client Information, and, unless EY agrees otherwise, EY will have no responsibility to verify it. The provision of Client Information (including Personal Data), resources and assistance to EY will be in accordance with applicable law and will not infringe any copyright or other third-party rights.

Deliverables

10. All Deliverables are intended for Client's use in accordance with the applicable Statement of Work under which they are provided.

11. To the extent EY is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Except as otherwise agreed, oral statements and explanations by EY are binding only when they are confirmed in writing.

Client may not rely on any draft Deliverable. EY shall not be required to update any final Deliverable as a result of circumstances of which EY becomes aware, or events occurring, after its delivery, unless otherwise agreed or EY is obliged to do so with regard to the Services provided by EY.

12. Unless otherwise provided for in a Statement of Work, Client may not disclose a Report (or any portion or summary of a Report), or refer to EY or to any other EY Firm or EY Person in connection with the Services, except:

(a) to Client Affiliates, to Client's and Client Affiliates' lawyers and professional advisors (subject to these disclosure restrictions), who may review it only in connection with advice relating to the Services;

(b) to the extent, and for the purposes, required by applicable law (and Client will promptly notify EY of such legal requirement to the extent Client is permitted to do so);

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(c) to other persons (with EY's prior written consent (*Textform*)), who may use it only as specified in such consent; or

(d) to the extent it contains Tax Advice.

If Client discloses a Report (or a portion thereof), Client shall not alter, edit or modify it from the form provided by EY. Client shall inform those to whom it discloses a Report (other than disclosure of Tax Advice to tax authorities) that they may not rely on it for any purpose without EY's prior written consent (*Textform*). Subject to the foregoing, Client is not prohibited by this Section 12 from using Deliverables that do not qualify as Reports in communication with third parties provided that: (i) there is no reference to, or communication of, EY's or any other EY Firm's involvement in the development of such Deliverables, and (ii) Client assumes sole responsibility for such use and communication.

Limitation of Liability

13. (a) EY's liability for claims for damages of any kind, except for damages resulting from injury to life, body or health, as well as for damages that constitute a duty of replacement by a producer pursuant to Section 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to EUR 4 million pursuant to Section 54a para. 1 No. 2 WPO [Public Accountant Act: *Wirtschaftsprüferordnung*].

(b) An individual case of damages within the meaning of Section 13 (a) also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against EY is limited to EUR 5 million.

(c) If Client considers the liability limit stipulated in Sections 13 (a) and (b) and the amount EY's liability is limited to where Sections 13 (a) and (b) apply ("Maximum Liability Amount") as inappropriate, Client shall inform EY of the extension of EY's liability Client would like to be agreed on instead. In this case EY will endeavor to obtain additional insurance for such increased amount. Provided that Client is furthermore prepared to bear the additional costs arising from such additional insurance, EY is prepared to agree with Client on a corresponding extension of EY's liability.

(d) If legitimate claims falling within EY's limitation of liability are brought against EY by Client and/or one or more third parties who are entitled to invoke this Agreement, the Maximum Liability Amount will be – in accordance with Section 428 BGB – available only once to all – including all future – claimants collectively. Hence, any payment by EY to Client has discharging effect towards all claimants. In case the sum of all claims (including future claims) to which EY's limitation-of-liability-provisions apply exceed the Maximum Liability Amount, the allocation of this Maximum Liabi-lity Amount amongst all claimants (including Client) is entirely a matter for discussion amongst all claimants.

(e) The claim expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and Client was informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body, health as well as for damages that constitute a liability for replacement by a producer pursuant to Section 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

14. **Third parties may derive claims from this Agreement between Client and EY only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these General Terms and Conditions also apply to these third parties. EY is entitled to invoke demurs and defenses based on this Agreement between Client and EY also towards third parties. Section 334 BGB shall apply.**

15. Client (and any others for whom Services are provided under this Agreement) may not make a contractual claim or bring proceedings arising from the provision of the Services or otherwise under this Agreement against any other EY Firm or EY Person. Client shall make any contractual claim or bring such proceedings only against EY.

No Responsibility to Third Parties

16. Unless otherwise agreed with Client, EY's responsibility for performance of the Services is to Client and Client alone. Thus, the Services do not consider the interests of third parties (including recipients under Section 12), are therefore not designed or intended to serve third parties as a basis for their decisions and third parties can neither infer rights nor otherwise benefit from this Agreement. Should any Deliverable be disclosed, or otherwise made available, by or through Client (or at Client's request) to a third party (including but not limited to permitted disclosures to third parties under Section 12), Client agrees to indemnify EY, as well as the other EY Firms and the EY Persons, against all claims by third parties, and resulting liabilities, losses, damages, costs (including time spent by EY personnel) and expenses (including reasonable external and internal legal costs) arising out of such disclosure. Client shall have no obligation hereunder to the extent that EY has specifically authorized, in writing (*Textform*), the third party's reliance on the Deliverable.

Intellectual Property Rights

17. Each party retains its rights in its pre-existing intellectual property. Except as set out in the applicable Statement of Work, any intellectual property developed by EY, and any working papers compiled in connection with the Services (but not Client Information contained in them), shall be the property of EY.

Confidentiality, Data Protection & Security

18. EY is bound by the strict professional confidentiality obligations as stipulated in Section 43 WPO and Section 57 StBerG [Tax Advisory Act: *Steuerberatungsgesetz*] and, except as otherwise permitted by this Agreement, neither party may disclose to third parties any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential (including, in the case of EY, Client Information). Notwithstanding any superseding legal professional secrecy obligation, either party may, however, disclose such information to the extent that it:

(a) is or becomes public other than through a breach of this Agreement;

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(b) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information;

(c) was known to the recipient at the time of disclosure or is thereafter created independently;

(d) is disclosed as necessary to enforce the recipient's rights under this Agreement; or

(e) must be disclosed under applicable law or professional regulations.

19. The parties may also exchange information via e-mail communication. The transmission of an unencrypted e-mail carries the risk that this message is intercepted by an unauthorized third party and that its content is being disclosed. Each party is entitled to encrypt e-mail communication or to request an encryption or other solutions for secure data exchange. Being aware of the immanent risks associated with unencrypted e-mail communication Client declares to agree that EY may also communicate via unencrypted e-mails, including incorporated information and attached documents to Client or any third party being involved in the performance of the Services.

20. EY uses other EY Firms, EY Persons and Support Providers who may have access to Client Information in connection with delivery of Services as well as to provide Internal Support Services. EY shall be responsible for any use or disclosure of Client Information by other EY Firms, EY Persons or Support Providers to the same extent as if EY had engaged in the conduct itself.

21. EY, other EY Firms, EY Persons and their Support Providers may process Client Information, including Personal Data, in various jurisdictions in which they operate (EY office locations are listed at www.ey.com). Client Information, including any Personal Data, will be processed in accordance with applicable law, and appropriate technical and organizational security measures will be implemented to protect it. Transfer of Personal Data among members of the EY network is subject to the EY Binding Corporate Rules Program, available at www.ey.com/bcr. Further information about EY's processing of Personal Data is available at www.ey.com/de_de/privacy-statement.

22. As a professional services firm, EY is required to exercise its own judgment in determining the purposes and means of processing any Personal Data when providing the Services. Accordingly, unless otherwise specified, when processing Personal Data subject to the General Data Protection Regulation or other applicable data protection law, EY acts as an independent controller, and not as a processor under Client's control or as a joint controller with Client. For Services where EY acts as a processor processing Personal Data on Client's behalf, the parties will agree appropriate data processing terms.

23. If Client requires EY to access or use Client or third-party systems or devices, EY shall have no responsibility for the confidentiality, security or data protection controls of such systems or devices or for their performance or compliance with Client requirements or applicable law.

24. To facilitate the performance of the Services, EY may provide access to, or otherwise make available, technology-enabled collaboration tools and platforms to Client personnel or third parties acting on Client's behalf or at Client's request. Client shall be responsible for all such persons' compliance with the terms applicable to the use of such tools and platforms.

Compliance

25. In connection with the performance of its respective rights and obligations under this Agreement, EY and Client each will comply with all laws and regulations of any jurisdiction applicable to it from time to time concerning or relating to bribery or corruption.

Fees and Expenses Generally

26. Client shall pay EY's professional fees and specific expenses in connection with the Services as detailed in the applicable Statement of Work or any of its appendices (including – as the case may be – the Fee Arrangement). Client shall also reimburse EY for other reasonable expenses incurred in performing the Services. EY's fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which Client shall pay (other than taxes imposed on EY's income generally). EY may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of its Services dependent upon complete satisfaction of EY's claims. Unless otherwise set forth in the applicable Statement of Work or Fee Arrangement, payment is immediately due following receipt of each of EY's invoices.

27. EY may charge additional professional fees if events beyond its control (including Client's acts or omissions) affect EY's ability to perform the Services as agreed in the applicable Statement of Work or if Client asks EY to perform additional tasks.

28. If EY is required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, Client shall reimburse EY for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless EY is a party to the proceeding or the subject of the investigation or unless EY gets fully reimbursed by public authorities.

Force Majeure

29. Neither party shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond such party's reasonable control.

Term and Termination

30. This Agreement applies to all Services whenever performed (including before the date of this Agreement or the applicable Statement of Work).

31. This Agreement shall terminate on the completion of the Services. Either party may terminate this Agreement, or any particular Services, upon 90 days' prior written notice (*Textform*) to the other. In addition, EY may terminate this Agreement, or any particular Services, immediately upon written notice (*Textform*) to Client if EY reasonably determines that it can no longer provide the Services in accordance with applicable law or professional obligations. Sections 626 and 627 BGB shall remain unaffected.

32. Client shall pay EY for all work-in-progress, Services already performed, and expenses incurred by EY up to and including the effective date of the termination or expiration of this Agreement, as well as any applicable termination fees set forth in the applicable Statement of Work or Fee Arrangement.

Governing Law and Jurisdiction

33. This Agreement, and any non-contractual matters or obligations arising out of it or the Services, shall be governed by, and construed in accordance with, the laws of Germany.

Any dispute relating to this Agreement or the Services shall be subject to the exclusive jurisdiction of the courts of Stuttgart, Germany, if the Client is a merchant (*Kaufmann*), a corporate body under public law (*juristische Person des öffentlichen Rechts*) or a public law special asset (*öffentlich-rechtliches Sondervermögen*).

EY is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of Section 2 VSBG [German Act on Consumer Dispute Settlements: *Verbraucherstreitbeilegungsgesetz*].

Miscellaneous

34. Client shall refrain from anything that endangers the independence of EY's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

35. In case there are any deficiencies, Client is entitled to specific subsequent performance by EY. Client may reduce the fees or cancel this Agreement for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If this Agreement was not commissioned by a consumer, Client may only cancel this Agreement due to a deficiency if the Services rendered are not relevant to Client due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. Sections 13 through 15 apply to the extent that further claims for damages exist.

Client must assert a claim for the rectification of deficiencies in writing (*Textform*) without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

36. Unless Client qualifies as a consumer in the meaning of section 13 BGB, a set off against EY's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

37. This Agreement constitutes the entire agreement between the parties as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any previously agreed confidentiality agreements.

38. This Agreement (and any modifications to it) must be agreed in writing (*Textform*).

39. Client agrees that EY and the other EY Firms may, subject to professional obligations, act for other clients, including Client's competitors.

40. Neither party may assign or transfer any of its rights, obligations or claims under this Agreement.

41. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.

42. Client acknowledges that the U.S. Securities and Exchange Commission regulations indicate that, where auditor independence is required, certain confidentiality restrictions related to tax structure may render the auditor to be deemed to be non-independent or may require specific tax disclosures. Accordingly, if and only to the extent that U.S. Securities and Exchange Commission auditor independence regulations apply to the relationship between Client or any of Client's associated entities and any EY Firm, with respect to the tax treatment or tax structure of any transaction to which the Services relate, Client represents, to the best of its knowledge, as of the date of this Agreement, that neither Client nor any of its affiliates has agreed, either orally or in writing, with any other advisor to restrict Client's ability to disclose to anyone such tax treatment or tax structure. Client agrees that the impact of any such agreement is its responsibility.

43. Neither party may use or reference the other's name, logos or trademarks without its prior written consent (*Textform*), provided that EY may use Client's name publicly to identify Client as a client in connection with specific Services or otherwise.

44. The limitations in Sections 13 through 15 and the provisions of Sections 16, 21 and 39 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

Appendix E: General Terms and Conditions

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EY | Assurance | Tax | Strategy and Transactions | Consulting

About the global EY organization
The global EY organization is a leader in assurance, tax, transaction and advisory services. We leverage our experience, knowledge and services to help build trust and confidence in the capital markets and in economies the world over. We are ideally equipped for this task — with well trained employees, strong teams, excellent services and outstanding client relations. Our global purpose is to drive progress and make a difference by building a better working world — for our people, for our clients and for our communities.

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Building a better working world