

SUPERVISORY BOARD REPORT

Dear Shareholders,

The Supervisory Board has dealt with the strategic direction and the prospects for the Company, as well as special topics, extensively over the course of the last fiscal year. It has fulfilled the duties it was entrusted with in accordance with the law, the by-laws and the rules of operation. The Supervisory Board regularly monitored and provided advice on the work of the Management Board in fiscal year 2015. The basis for this were detailed reports from the Management Board presented in written and oral format, and regular consultations between the Management Board and the Chairman of the Supervisory Board. Between the regular Supervisory Board meetings the Supervisory Board Chairman met at least once a month with the Management Board, in order to ensure a comprehensive exchange of information between these bodies. Within the Supervisory Board group, the Chairman of the Supervisory Board also exchanged information at least once a month with his deputy and select members of the Supervisory Board regarding current Company topics. All decisions of significance were discussed openly with the entire Supervisory Board.

For example, the Supervisory Board was continuously informed concerning the intended business policy, strategy, planning, the risk situation and risk management, compliance, the development of the business situation and significant business transactions, as well as the situation of the Company and the Group as a whole.

The Supervisory Board met in person six times in 2015. In accordance with the provisions of the by-laws of the Company, additional meetings were held in the form of telephone conferences, and resolutions were made in writing by circulating them. In all of the Supervisory Board meetings, the Management Board informed the Supervisory Board about the commercial and financial development of the Company, including the risk situation. Within the context of a two-day retreat meeting in the summer of 2015, the Management Board Chairman and the Supervisory Board Chairman and his Deputy Chairman thoroughly discussed the further development of the company, as well as the emphases of strategic development in the coming years. All members of the Supervisory Board participated in all meetings. The Supervisory Board has not formed committees.

No conflicts of interest involving Management Board or Supervisory Board members have been reported to the Supervisory Board during the reporting period.

Emphasis of the Consultations in the Supervisory Board

Apart from overarching topics, the Supervisory Board dealt with specific topics in individual areas and, when required, passed the necessary resolutions. Important focal points of the activity of the Supervisory Board in the reporting year were questions in the areas of marketing and sales, the acquisition of shares of Bio Save d.o.o. in Serbia, and AS “Imunolita” in Lithuania, as well as the complete takeover of StemCare ApS and the beginning of their integration into the Vita 34 Group.

Changes in the Management Board

Effective October 1, 2015, the Supervisory Board appointed Mr. Falk Neukirch as CFO of Vita 34 AG. He is leading the company together with the Chairman of the Management Board, Dr. André Gerth. Falk Neukirch took over the helm from Jörg Ulbrich, who was a member of the Management Board for 7 years. This change in the finance area took place by mutual agreement. The new Finance Director is assuming the role with the goal of mastering the necessary strategic market challenges in the Management Board team in order to develop Vita 34 AG into a globally leading specialist for the storage and application of stem cells, while maintaining profitable growth.

Falk Neukirch studied Business at the Technical University Dresden from 1990 to 1996, with one year in Great Britain, and he finished his studies with a graduate degree in Business. Falk Neukirch then worked for several years for Deloitte in the field of auditing and tax consultation before taking on various management positions in the field of finance in industry with a strong international focus. From 2007 until 2014 Falk Neukirch was Director of Controlling at the publicly traded First Sensor AG where he reported directly to the Management Board. In his seven-year tenure at First Sensor AG he established a capable finance department, which included, in particular, an excellent controlling and reporting department, as well as efficient risk management covering 18 subsidiaries.

Corporate Governance

The Supervisory Board dealt with the further development of Corporate Governance principles in the Company, thereby taking into consideration the recommendations of the German Corporate Governance Code (DCKG) dated June 14, 2014 and May 5, 2015. In March 2016, the Management Board and the Supervisory Board issued a new Declaration of Compliance, which is printed on page 42 of the annual report, in the “Corporate Governance” chapter and has also been published on the home page of the Company.

Annual and Group Financial Statements, Audit

The annual financial statements along with the management report of Vita 34 AG have been prepared in accordance with the provisions of the German Commercial Code [HGB]; the consolidated annual financial statements and the group management report of Vita 34 AG have been prepared on the basis of Secs. 315, 315 a German Commercial Code, in conjunction with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union. The auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft Stuttgart (Leipzig branch office), audited the annual financial

statements of Vita 34 AG, the consolidated financial statements, the management report and the group management report. The audit order was placed in accordance with the resolution of the Annual General Meeting, legal provisions and the provisions of the German Corporate Governance Code.

As a result, it should be noted that the financial statements have observed the rules of both the German Commercial Code and IFRS. The annual financial statements and consolidated financial statements received an unqualified certification. The financial statement documents were thoroughly discussed in the Financial Statements Meeting of the Supervisory Board, in the presence of and following a report from the auditor. During this meeting, the auditor's representatives reported on the significant findings of their audit, as well as on the control and risk management system with regard to accounting. They dealt with the scope, emphasis and costs of the audit; furthermore they explained that there are no conflicts of interest, since Ernst & Young only rendered audit services.

The Supervisory Board reviewed the annual financial statements, the management report as well as the consolidated annual financial statements and the consolidated management report. The result of our own review was that no objections were raised against the annual financial statements of Vita 34 AG along with the management report, the consolidated financial statements of Vita 34 AG along with the group management report, as well as the corresponding audit reports of the auditors. The Supervisory Board approved the results of the audit after its own review, accepted the annual financial statements and acknowledged the consolidated financial statements. Thus, the annual financial statements prepared by the Management Board have been accepted. We agree with the management report and, in particular, the evaluation of the further development of the Company.

Personnel

The Company continues to find itself in an economically challenging environment. Moreover, the legal requirements on members of the Supervisory Board have increased in the last years. In order to continue to live up to these challenges as best possible, it was expedient to outfit the Supervisory Board of the Company with additional capacities and specialized knowledge. After the resolution concerning the modification of the by-laws for expanding the Supervisory Board, the Annual General Meeting elected three new members into the Supervisory Board on July 28, 2015. The new members of the Supervisory Board are Mr. Artur Isaev, Mr. Heinrich Sundermeyer, and Ms. Gerrit Witschaß. In addition, Dr. med. Mariola Söhngen was elected as an alternate for the Supervisory Board.

In its meeting on July 28, 2015 Supervisory Board member Mr. Alexander Starke, who had up to then been a regular member of the Supervisory Board, was elected to be its Deputy Chairman. He took over this position on the same day from Dr. Holger Födisch, who is still a member of the Supervisory Board. Effective December 31, 2015 Mr. Heinrich Sundermeyer resigned his position on the Supervisory Board for medical reasons. He was replaced by Dr. med. Mariola Söhngen, who joined the Supervisory Board on January 1, 2016.

The Supervisory Board would like to thank the Management Board as well as the staff for their work this fiscal year.

March 21, 2016

For the Supervisory Board

Dr. Hans-Georg Giering
Chairman of the Supervisory Board