

**VITA34**

# INTERIM REPORT

January to June 2023



# GROUP KEY FIGURES

		Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Income statement</b>					
Sales revenue	EUR thousand	18,365	16,629	36,269	32,109
Gross profit	EUR thousand	6,740	3,831	12,421	7,423
EBITDA	EUR thousand	1,279	-1,549	1,551	-2,613
EBITDA margin as a percentage of sales	%	7.0	-9.3	4.3	-8.1
Operating result (EBIT)	EUR thousand	-921	-3,671	-2,734	-6,865
Result for the period	EUR thousand	-1,183	-4,735	-4,224	-7,672
Earnings per share	EUR	-0.07	-0.30	-0.25	-0.48
<b>Balance sheet</b>					
				<b>June 30, 2023</b>	<b>Dec. 31, 2022</b>
Balance sheet total	EUR thousand			153,611	151,508
Equity	EUR thousand			12,081	15,852
Equity ratio	%			7.9	10.5
Liquid funds	EUR thousand			15,753	16,290
<b>Cash flow</b>					
				<b>H1 2023</b>	<b>H1 2022</b>
Cash flow from investing activities	EUR thousand			-1,764	-2,712
Depreciation and amortization	EUR thousand			4,285	4,252
Cash flow from operating activities	EUR thousand			2,899	-2,189

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# LETTER FROM THE MANAGEMENT BOARD

*Dear Shareholders,*

In the second quarter, we succeeded in stabilizing our business development and improving our earnings performance noticeably. The macroeconomic environment continues to be dominated by numerous negative factors, which are having an overall dampening effect on our organic business development. At the same time, however, we are increasingly succeeding in adapting to this environment and adjusting our cost base to the new normality.

At EUR 36.3 million, our revenue in the first half of the year was 13.0 percent higher than in the previous year. A changed product mix, price increases versus 2022 and a higher proportion of prepayment contracts contributed to the improved business development. At the same time, positive effects from the harmonization of our accounting in accordance with IFRS 15, which was carried out in the previous year, also had a significant impact on our revenue growth. Birth rates in our most important core markets in Europe showed more stability in the second quarter, raising hopes for a certain normalization of demand for the storage of umbilical cord blood and tissue. Nevertheless, through continued cost discipline and efficiency enhancement measures, we succeeded in parallel in further noticeably improving our earnings situation. After our earnings before interest, taxes, depreciation and amortization (EBITDA) had already returned to positive territory in the first quarter, we were able to further consolidate this development in the second quarter. At EUR 1.6 million, EBITDA in the first half of 2023 was significantly higher than the previous year's figure of EUR -2.6 million. In addition, we see a significant improvement compared with the first quarter of 2023, in which EBITDA amounted to EUR 0.3 million.

Our operating cash flow improved significantly to EUR 2.9 million, while our cash and cash equivalents were only slightly below the previous year at EUR 15.8 million. Besides aforementioned reasons, which had a positive impact on this improvement, we focused some of our initiatives in the new business areas Cell & Gene Therapies and CDMO on the most essential milestones. This significantly eases our cash flow and liquidity situation.

Positive signs in our business development in the first and second quarters of this year continue to make us confident that Vita 34 will also develop well in the second half of 2023, given the circumstances. Worth mentioning in this context is, for example, an FDA approval granted in 2023 for the so-called expansion technology of stem cells from umbilical cord blood. After several years of development and clinical trials, this technology is showing very positive results. We believe it may increase the interest of hematologists in the use of umbilical cord blood in the coming years, and thus also increase interest in cell banking itself.

Nevertheless, the environment remains challenging for us and we will have to gain momentum in the coming weeks and months in order to realize our expectations and to continue the positive trend from the year to date in the second half of the year. For our business development in the full year, we continue to expect sales between EUR 75 and 82 million and an EBITDA in the range of EUR 5.5 to 7.0 million.

Leipzig, August 2023

The Management Board of Vita 34 AG



Jakub Baran  
Chief Executive  
Officer



Dirk Plaga  
Chief Financial  
Officer



Tomasz Baran  
Chief Commercial  
Officer

# Vita 34 AG Shares

## Key share data H1 2023

Ticker symbol/Reuters symbol	V3V/V3VGn.DE
Securities identification number/ISIN	A0BL84/DE000A0BL849
Number of shares	16,036,459
Price on 01/03/2023*	EUR 7.86
Price on 06/30/2023*	EUR 5.58
Market capitalization on 06/30/2023*	EUR 89.5 million

\* Closing prices Xetra trading system of Deutsche Börse AG

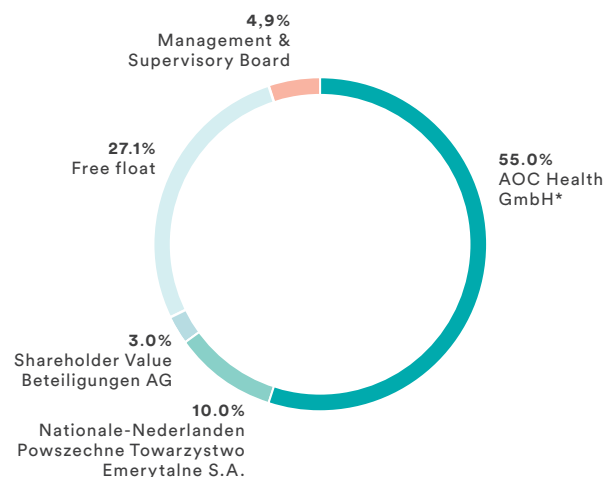
## RESEARCH

In the first half of 2023, Vita 34 AG was covered by the analysts of Montega AG and Warburg Research. In its current study of June 1, 2023, Montega AG rated the Vita 34 share as “Hold” with a price target of EUR 7.50. Warburg Research issued a “Hold” recommendation with a price target of EUR 6.11 in its July 1, 2023 report.

## ANNUAL GENERAL MEETING

This year’s Annual General Meeting of Vita 34 AG will take place in virtual form on September 26, 2023. All relevant documents and information are available for download on the company’s website at <https://ir.vita34.de/en/investor-relations/annual-general-meeting/annual-general-meeting-2023/>.

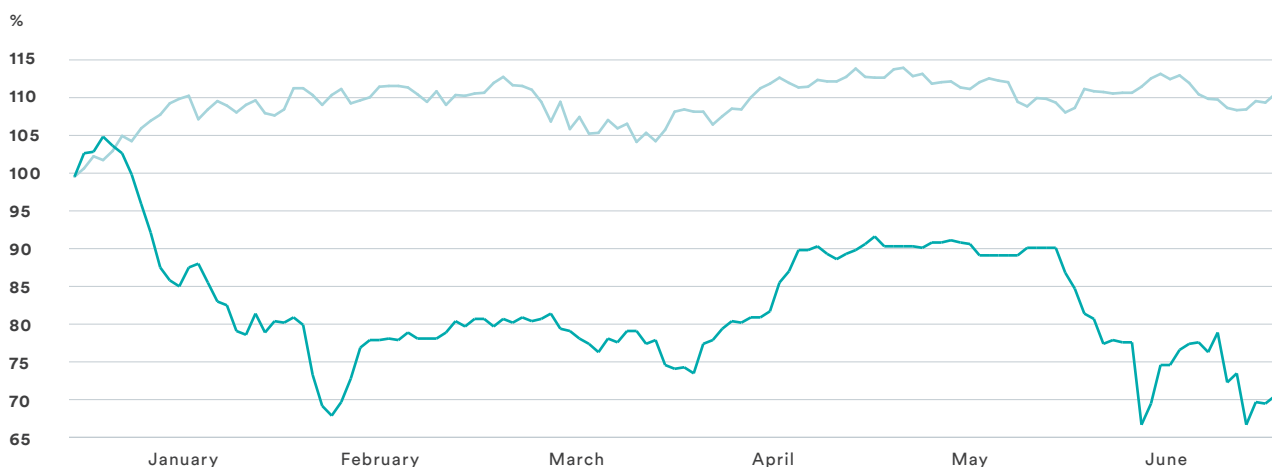
## Shareholder structure as of June 30, 2023



\* The Deputy Chairman of the Supervisory Board, Florian Schuhbauer, is a shareholder of AOC Health GmbH

## Share price development H1 2023

— Vita 34 AG (indexed) — SDAX (indexed)



# INTERIM GROUP MANAGEMENT REPORT

## Business Report

### DIRECT EFFECTS OF THE COVID-19 PANDEMIC ON THE RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

In contrast to the prior-year period, the COVID-19 pandemic had hardly any more noticeable impact on the business development of the Vita 34 Group in the first half of 2023.

### CORPORATE STRUCTURE AND SHAREHOLDINGS

There were no changes in the Group structure in the first half of 2023. In the comparative period of the previous year, two transactions were carried out to simplify the Group structure in the course of the integration projects of Vita 34 and PBKM, but these do not affect comparability. There are some further initiatives going on to simplify the entire corporate structure further and we expect some of them to be finished later this year and in 2024.

### BUSINESS PERFORMANCE

The combination of rising interest rates, inflation, the war in Ukraine, uncertainty about energy supplies and fears about the economy continued to have a negative impact on European customers purchasing habits. It also affected expectant parents and their willingness to spend money on non-essential goods and services decreased. In some cases, disposable incomes are directly reduced, for example, by the rise in interest rates in the course of ongoing real estate financing. Vita 34 therefore observes an increase in annual payer contracts in certain markets compared to single payer/prepaid contracts. In Germany, for example, annual payer contracts have reached an all-time high. Vita 34 is also deliberately pushing this development in some countries in order to lower the entry barriers for customers in the current economic environment.

Financial results in the first half of 2023 were largely according to plan, even if they remained slightly behind the possibilities overall due to the environmental factors. At the same time, they are still in line with full-year expectations. The price adjustments implemented were overall accepted by the customers, leading to an increase in revenue per contract win as well as recurring revenue. The same is true for the increasing number of contract renewals. Overall, however, the volume of new contracts concluded was by a single-digit percentage lower than in the previous year.

Demand was significantly impacted by the continued decline in birth rates in the European core markets, although these stabilized in the second quarter and give rise to hopes of a certain normalization of demand for the storage of umbilical cord blood and tissue. In a year-on-year comparison, however, the birth rate in Germany, for example, fell again below the lows of 2022 in the first five months of 2023. After the number of births in 2022 had fallen by 7.1% year-on-year, there were a further 5.9% fewer births from January to May 2023 than in the same period of 2022. Accordingly, the effects from the number of new storages dampened the development of revenue. This was more than offset by the positive effects from revenue recognition and accounting under IFRS 15 as well as price increase effects. After several successful price adjustments, Vita 34 will now consolidate at the price level achieved.

The post-merger integration efforts continue to run according to plan. At the current stage of the Group-wide integration, there is a strong focus on achieving growth synergies. In addition to cost-cutting and cost-shifting measures, it is a conscious strategic decision to keep marketing activities and staffing levels generally at a high level in order to be able to systematically exploit market opportunities when the environment improves again. The new activities in the areas of Cell and Gene Therapies (incl. CAR-T) and CDMO will be continued.

The Group has participated in several biotech partnership conferences so far in 2023, further expanding the pipeline of potential partnerships. Here, Vita 34 is also on track.

## RESULTS OF OPERATIONS

### FIRST HALF OF 2023

In the first half of 2023, the Vita 34 Group generated revenues of EUR 36.3 million. This is an increase of 13.0% compared to the same period of the previous year, when EUR 32.1 million were achieved. The main drivers of the revenue growth of EUR 4.2 million were, on the one hand, the effects of accounting in accordance with IFRS 15, which were responsible for around EUR 3.0 million of the revenue increase, and price effects in the amount of EUR 2.3 million. This was offset by lower volumes, which resulted in a reduction in revenue at Group level of EUR 2.2 million. The increasing number of contract renewals had a positive effect on revenue of around EUR 1.3 million.

Despite the growth, the cost of sales was actually reduced by 3.4% from EUR 24.7 million to EUR 23.8 million. Marketing and selling expenses amounted to EUR 5.5 million in the first half of 2023 (previous year: EUR 4.9 million). Despite the currently weaker market environment, Vita 34 is deliberately continuing its marketing and sales activities in order to benefit disproportionately when the market picks up again. The sales structure has also been further strengthened in a targeted manner. As a result of the continuing high level of cost discipline, administrative expenses fell slightly from EUR 9.8 million to EUR 9.7 million.

Reported EBITDA for the first six months of 2023 amounted to EUR 1.6 million (previous year: EUR –2.6 million). At this level, a return to operating profit has thus been achieved. EBIT for the first half of 2023 was EUR –2.7 million, an improvement of EUR 4.1 million on the previous year's figure of EUR –6.9 million. The result for the period was EUR –4.2 million (previous year: EUR –7.7 million) and corresponds to earnings per share of EUR –0.25 (previous year: EUR –0.48) for the six-month period.

## SECOND QUARTER OF 2023

The second quarter of 2023 essentially confirmed the trends that had already influenced the business performance in the first quarter of 2023. At EUR 18.4 million, revenue was slightly higher than the revenue of EUR 17.9 million in the first three months and higher than the revenue of EUR 16.6 million in the prior-year quarter. Price adjustments and the effects of revenue recognition in accordance with IFRS 15 for redesigned contracts had a positive impact. The general development in demand had a dampening effect.

EBITDA for the second quarter of 2023 was EUR 1.3 million, significantly higher than in the first quarter and above the negative figure of EUR –1.5 million for the prior-year quarter. The improved earnings performance of the first quarter of 2023 continued at a significantly more dynamic pace in the months from April to June. In this period, too, marketing and sales activities were opportunistically maintained at a high level. Investments continued to be made consistently and at the same time in a measured manner in research and development and in the newly emerging business areas. EBIT for the second quarter of 2023 was EUR –0.9 million, which is a noticeable improvement on the prior-year figure of EUR –3.7 million. The result for the 3-month period April to June is calculated at EUR –1.2 million, compared with EUR –4.7 million in the second quarter of 2022.

## DEVELOPMENT IN THE SEGMENTS

In the subgroup PBKM segment, revenues increased by 22.3% from EUR 22.7 million to EUR 27.8 million. In the second quarter of 2023, the gain was 17.9% with revenue of EUR 13.9 million (Q2/2022: EUR 11.8 million). EBITDA for the segment amounted to EUR 2.4 million in the first half of 2023 (prior-year period: EUR –3.2 million). This means that the turnaround in earnings that had already begun in the third quarter of 2022 was successfully continued in this segment. In addition, a clearly positive operating cash flow of EUR 3.6 million was generated again, following

EUR –2.0 million in the prior-year period. Investments in the subgroup PBKM amounted to EUR 1.1 million (previous year's period: EUR 2.4 million) and, in addition to the new business areas, mainly went into cryogenic tanks and laboratory equipment. Besides adjusting cost structures in the areas of administration, marketing and sales, the company is focusing its investments on the new business areas of Cell and Gene Therapies and CDMO. Accordingly, the investments in the current fiscal year 2023 are intended to specifically pursue the most promising sub-projects, thereby reducing the number of projects running in parallel. First patients ("First Patient In") have been recruited for Phase I of the clinical trial of a drug candidate from CAR-T family, the first candidate of the Cell and Gene Therapy portfolio.

In the subgroup Vita 34 segment, revenues decreased by 5.2% from EUR 9.4 million to EUR 8.9 million in the first half of 2023. In the second quarter, a slight minus of 4.2% also had to be recorded with revenues of EUR 4.6 million (Q2/2022: EUR 4.8 million). Although the weak development in demand, particularly in the German market with a noticeable 14% decline, 50% of which can be explained by the decrease in newborns, was offset by positive price effects, these were unable to fully compensate for the drop in demand. Segment EBITDA in the first half of the year was EUR –0.8 million, compared with EUR 0.5 million in the same period of the previous year. Deliberately slightly increased marketing expenses and the still missing revenue effects were responsible for this earnings development. At the same time, cost increase effects are having an impact, for example on personnel expenses. In addition, there are cost burdens in the subgroup Vita 34, because this subgroup also assumes the holding function for the entire Group. Although the operating cash flow could be improved from EUR –1.3 million to EUR –0.7 million in the first half of 2023, it is still not positive again. Investments continued to be implemented in a very controlled manner and on balance amounted to EUR 0.7 million (prior-year period: EUR 0.3 million).

## FINANCIAL POSITION

The improved earnings performance and the fact that inventories returned to normal compared to the pandemic and the period of highly strained supply chains, thus optimizing working capital, also had a direct positive impact on cash flow development in the first half of 2023. At the same time, continued expenses of an investment nature for research and development and the newly emerging business areas had a dampening effect. Cash flow from operating activities amounted to EUR 2.9 million compared to EUR –2.2 million in the prior-year period, thus improving by EUR 5.1 million. The number of contract renewals continues to rise, leading to an increase in revenue per contract signing as well as recurring revenue and thus to higher cash flows in the future. In addition, the annual payer pricing model is being pushed further in several countries. This lowers the barrier to entry for our customers, which is particularly important in the current economic environment, but leads to lower cash flows in the short term. This effect will reverse over future periods and result in higher cash flows overall. While the price effects

on revenue were also directly reflected in operating cash flows, the positive effects from IFRS 15 accounting for subscription contracts are not cash-effective.

Cash flow from investing activities was EUR –1.8 million in the first half of 2023, compared with EUR –2.7 million in the prior-year period. Investments in property, plant and equipment were at a comparable level in both periods. The Vita 34 Group continues to invest prudently and primarily in the area of maintenance investments. In addition, further funds were invested in the areas of Cell and Gene Therapies (incl. CAR-T) as well as CDMO, especially for new laboratory equipment. Cash flow from financing activities decreased from EUR –3.0 million to EUR –1.7 million. It was mainly influenced by the repayment of financial loans, payments for leases and a slightly higher utilization of the overdraft facility at the same time. Cash and cash equivalents amounted to EUR 15.8 million as of June 30, 2023 (December 31, 2022: EUR 16.3 million)

#### NET ASSETS

At EUR 153.6 million, the balance sheet total remained virtually unchanged compared with the figure of EUR 151.5 million as of December 31, 2022. On the assets side of the balance sheet, non-current assets increased slightly from EUR 110.4 million to EUR 112.9 million. This was mainly due to the rise in non-current contract assets by EUR 1.9 million to EUR 5.0 million as a result of accounting in accordance with IFRS 15. These include the higher receivables from annual payer contracts with multi-year contract terms. The receivables are due for payment within ten years. At the same time, property, plant and equipment were slightly higher as a result of investments. These increases were offset by depreciation of property, plant and equipment and amortization of intangible assets resulting from the measurement of customer contracts in the course of acquisitions.

Current assets decreased slightly from EUR 41.1 million to EUR 40.8 million. The main reason for this was the reduction in cash and cash equivalents from EUR 16.3 million to EUR 15.8 million.

Equity decreased in line with the result for the period from EUR 15.9 million to EUR 12.1 million. Accordingly, the equity ratio was 7.9%, down from 10.5%. Non-current liabilities increased slightly from EUR 67.1 million to EUR 69.9 million. The reason for this is the higher level of long-term contractual liabilities and thus the potential repayment obligations. These result from the special structure of the old storage contracts at the subgroup PBKM with the possibility of termination and corresponding accrual accounting of revenues and obligations.

Current liabilities increased slightly from EUR 68.5 million to EUR 71.7 million. The scheduled repayment of interest-bearing loans was offset here by several minor changes relating to the reporting date, for example in trade payables. The potential repayment obligations described above, in this case of a short-term nature, also increased by around EUR 2.0 million.



## Opportunity and Risk Report

A detailed opportunity and risk report is included in the Annual Report 2022 (page 30 et seq.). In the reporting period, there were no significant changes to the opportunities and risks presented therein.

## Forecast Report

The Vita 34 Group can continue to confirm the full-year forecast 2023, in particular because a further stronger dynamic in business development, revenue and profitability is expected for the second half of the year – also against the background of a gradually improving environment in the most important country markets. Thus, consolidated revenue and consolidated EBITDA are still expected to increase significantly in fiscal year 2023. Accordingly, consolidated revenue of EUR 75 to 82 million and consolidated EBITDA of EUR 5.5 to 7.0 million are forecast. This includes expected positive effects from the accounting according to IFRS 15 in the amount of EUR 5.7 million, which affect both revenues and earnings, but do not affect liquidity. The Management Board of Vita 34 AG assesses the general market environment as still difficult and, against the background of declining birth rates, also difficult to assess for the further course of the year. However, due to the positive impulses of the established price adjustments and an optimized cost basis, it considers the company to be well equipped under the circumstances to cope with this difficult market phase in the coming quarters.

Furthermore, the statements made in the forecast report of the combined management report 2022 remain valid.

The forecast is based on a constant exchange rate of the euro to the Polish zloty and other currencies (HUF, RON, TRY, GBP) compared with March 31, 2023.

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. They are based on the current information available to Vita 34 at the time of the preparation of this report. However, such forward-looking statements are subject to risks and uncertainties. Should the underlying assumptions not materialize or should further opportunities/risks arise, the actual results may differ from the estimates made. Therefore, Vita 34 cannot assume any responsibility for this information.

Leipzig, August 30, 2023

The Management Board of Vita 34 AG



Jakub Baran  
Chief Executive  
Officer

Dirk Plaga  
Chief Financial  
Officer

Tomasz Baran  
Chief Commercial  
Officer

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated Income Statement

EUR thousand	Q2 2023	Q2 2022	H1 2023	H1 2022
Sales revenues	18,365	16,629	36,269	32,109
Cost of sales	-11,625	-12,799	-23,848	-24,686
<b>Gross profit on sales</b>	<b>6,740</b>	<b>3,831</b>	<b>12,421</b>	<b>7,423</b>
Other income	402	712	797	1,462
Marketing and selling expenses	-2,996	-2,663	-5,528	-4,920
Administrative expenses	-5,047	-4,873	-9,701	-9,780
Other expenses	-19	-678	-369	-387
Impairment losses on trade and other receivables	-71	-587	-353	-663
<b>Operating result (EBIT)</b>	<b>-921</b>	<b>-3,671</b>	<b>-2,734</b>	<b>-6,865</b>
Financial income	250	390	374	523
Financial expenses	-469	-788	-1,538	-1,213
<b>Earnings before taxes</b>	<b>-1,140</b>	<b>-4,069</b>	<b>-3,898</b>	<b>-7,555</b>
Income tax expense/income	-44	-666	-326	-117
<b>Result for the period after taxes</b>	<b>-1,183</b>	<b>-4,735</b>	<b>-4,224</b>	<b>-7,672</b>
<b>Attribution of the result for the period to the</b>				
Owners of the parent company	-1,192	-4,723	-3,935	-7,419
Minority interests	8	-12	-288	-253
<b>Earnings per share, undiluted/diluted (EUR)</b>				
Undiluted and diluted earnings per share, relating to the result for the period attributable to holders of ordinary shares of the parent company	-0.07	-0.30	-0.25	-0.48

## Consolidated Statement of Comprehensive Income

EUR thousand	Q2 2023	Q2 2022	H1 2023	H1 2022
<b>Result for the period</b>	<b>-1,183</b>	<b>-4,735</b>	<b>-4,224</b>	<b>-7,672</b>
<b>Other comprehensive income</b>				
Currency translation differences	486	334	337	-562
<b>Other comprehensive income to be reclassified to the income statement in subsequent periods</b>	<b>486</b>	<b>334</b>	<b>337</b>	<b>-562</b>
<b>Total comprehensive income after taxes</b>	<b>-698</b>	<b>-4,401</b>	<b>-3,886</b>	<b>-8,234</b>
Attribution of the comprehensive income after taxes to				
Owners of the parent company	-706	-4,389	-3,445	-7,967
Non-controlling interests	8	-12	-442	-267

## Consolidated Balance Sheet (Assets)

### Assets

EUR thousand	June 30, 2023	Dec. 31, 2022
<b>Non-current assets</b>		
Goodwill	38,600	39,491
Other intangible assets	17,793	18,647
Property, plant and equipment	24,926	24,433
Right-of-use assets	12,550	11,393
Shares in associated companies	436	414
Other financial assets	1,094	1,045
Other non-financial assets	1,793	1,719
Deferred tax assets	10,250	9,634
Contract assets	4,951	3,088
Trade receivables	464	580
	<b>112,857</b>	<b>110,443</b>
<b>Current assets</b>		
Inventories	3,394	3,891
Trade receivables	12,771	12,751
Income tax receivables	2,235	1,841
Contract assets	2,713	2,701
Other financial receivables and assets	2,044	1,943
Other non-financial receivables and assets	1,845	1,647
Cash and cash equivalents	15,753	16,290
	<b>40,754</b>	<b>41,065</b>
<b>Total Assets</b>	<b>153,611</b>	<b>151,508</b>

## Consolidated Balance Sheet (Equity & Liabilities)

### Equity & Liabilities

EUR thousand	June 30, 2023	Dec. 31, 2022
<b>Equity</b>		
Subscribed capital	16,036	16,036
Capital reserves	29,679	36,960
Loss carryforwards	-27,195	-30,663
Other reserves	-2,530	-3,021
Treasury shares	-2,813	-2,813
Non-controlling interests	-1,096	-648
	<b>12,081</b>	<b>15,852</b>
<b>Non-current liabilities</b>		
Interest-bearing loans	1,678	1,724
Leasing liabilities	10,909	10,331
Deferred grants	665	723
Contract liabilities	47,894	45,892
Other provisions	365	320
Pension provisions	0	0
Deferred tax liabilities	5,381	5,126
Other financial liabilities	2,965	3,012
Other non-financial liabilities	0	0
	<b>69,857</b>	<b>67,129</b>
<b>Current liabilities</b>		
Trade payables	8,457	8,056
Other provisions	5	5
Income tax liabilities	341	371
Interest-bearing loans	13,827	13,779
Lease liabilities	2,757	2,357
Deferred grants	280	256
Repayment obligations	26,538	24,470
Contract liabilities	13,308	13,853
Other financial liabilities	1,987	1,778
Other non-financial liabilities	4,173	3,603
	<b>71,673</b>	<b>68,527</b>
<b>Total Equity &amp; Liabilities</b>	<b>153,611</b>	<b>151,508</b>

## Consolidated Statement of Changes in Equity

Equity attributable to the owners of the parent company				
EUR thousand	Subscribed capital	Capital reserves	Retained earnings	Reserve for financial assets available for sale
<b>As of January 1, 2023</b>	<b>16,036</b>	<b>36,960</b>	<b>-30,663</b>	<b>-24</b>
Result for the period	0	0	-3,935	0
Other income/expense	0	0	0	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-3,935</b>	<b>0</b>
Change in scope of consolidation	0	0	0	0
Transfer to reserves	0	-7,281	7,307	0
Share price-based remuneration program	0	0	105	0
Dividend payments	0	0	0	0
Application of IAS 29	0	0	-8	0
<b>As of June 30, 2023</b>	<b>16,036</b>	<b>29,679</b>	<b>-27,195</b>	<b>-24</b>

Equity attributable to the owners of the parent company

	Revaluation reserves	Currency translation differences	Total equity	Treasury shares at acquisition cost	Non-controlling interests	Total equity
	-122	-2,875	19,313	-2,813	-648	15,852
	0	0	-3,935	0	-288	-4,224
	0	491	491	0	-154	337
	0	491	-3,445	0	-442	-3,886
	0	0	0	0	0	0
	0	0	26	0	0	26
	0		105	0	0	105
	0	0	0	0	-7	-7
	0	0	-8	0	0	-8
	-122	-2,384	15,991	-2,813	-1,096	12,081

# Consolidated Cash Flow Statement

EUR thousand	H1 2023	H1 2022
<b>Cash flow from operating activities</b>		
Earnings for the period before taxes	-3,898	-7,555
Adjusted for:		
Depreciation and amortization	4,285	4,252
Impairments	0	1
Gains/losses on the disposal of non-current assets	177	0
Other non-cash expenses/income	739	-324
Financial income	-374	-523
Financial expenses	1,538	1,213
Changes in net working capital:		
+/- Inventories	497	-848
+/- Receivables and other assets	-213	-1,104
+/- Contract assets	-1,875	-619
-/+ Debts	1,351	183
-/+ Contract and repayment liabilities	3,369	4,045
-/+ Provisions	0	25
Interest paid	-1,585	-805
Income taxes paid	-1,111	-129
<b>Cash flow from operating activities</b>	<b>2,899</b>	<b>-2,189</b>
<b>Cash flow from investing activities</b>		
Purchase of intangible assets	-151	-264
Purchase of property, plant, and equipment	-2,156	-2,271
Purchase of non-current financial investments	-26	-628
Proceeds from the sale of property, plant and equipment	252	0
Interest received	318	452
<b>Cash flow from investing activities</b>	<b>-1,764</b>	<b>-2,712</b>
<b>Cash flow from financing activities</b>		
Transaction with non-controlling shareholders	0	1,311
Proceeds from taking out financial loans	3,206	78
Payments for the repayment of financial loans	-3,363	-3,342
Payments for leases	-1,562	-1,290
Proceeds from grants received	0	246
<b>Cash flow from financing activities</b>	<b>-1,726</b>	<b>-2,995</b>
Net changes in cash and cash equivalents	-591	-7,896
Cash and cash equivalents at the beginning of the reporting period	16,290	33,298
Exchange rate-related change in cash and cash equivalents	54	0
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>15,753</b>	<b>25,401</b>



# Notes to the Condensed Interim Consolidated Financial Statements as of June 30, 2023

## 1. INFORMATION ON THE PARENT COMPANY AND THE GROUP

The unaudited condensed interim consolidated financial statements of Vita 34 AG include Vita 34 AG and its subsidiaries (together referred to as “Vita 34” or the “Group”).

The parent company Vita 34 AG (the “company”) with headquarters in Leipzig (Germany), Deutscher Platz 5a, registered with the Register Court of the District Court of Leipzig under HRB 20339, is a company whose corporate purpose is the collection, processing and storage of stem cells from umbilical cord blood and tissue, the development of cell therapeutic procedures and the implementation of projects in the field of biotechnology. Its subsidiaries (together with the company referred to as the “Group”) are also active in the field of storage of umbilical cord blood and tissue.

The interim consolidated financial statements for the period from January 1 to June 30, 2023 were authorized for issue by the Management Board on August 30, 2023.

## 2. ACCOUNTING AND VALUATION PRINCIPLES

### 2.1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The condensed consolidated interim financial statements for the period from January 1 to June 30, 2023 have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The condensed consolidated interim financial statements do not include all the notes and disclosures required in the financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

Furthermore, various standards and amendments to standards were applied for the first time in 2023, which have no impact on the consolidated financial statements of Vita 34 AG. The Group has not early adopted any standards, amendments or interpretations that have been published but are not yet effective.

### 3. KEY ESTIMATES AND ASSUMPTIONS

In preparing these interim financial statements, the Management has made discretionary decisions and estimates that affect the application of accounting policies and the net assets, financial position and results of operations. Actual results may differ from these estimates. The significant discretionary decisions of the Management in the application of the Group's accounting and valuation methods and the most important sources of estimation uncertainties are the same as described in the last consolidated financial statements.

### 4. HYPERINFLATION

Turkey is classified as a hyperinflationary economy and therefore IAS 29 "Financial Reporting in Hyperinflationary Economies" applies to our subsidiaries in Turkey. Accordingly, the interim financial statements of the companies that have the Turkish lira as their functional currency have been adjusted to reflect the change in general purchasing power with retrospective effect from January 1, 2022. For translation into the presentation currency (euro), all amounts are translated using the closing rate as of June 30, 2023.

To reflect the changes in purchasing power at the balance sheet date, the carrying amounts of the non-monetary assets and liabilities, equity and comprehensive income of subsidiaries in hyperinflationary economies are restated on the basis of a measuring unit current at the balance sheet date. These are indexed using a general price index in accordance with IAS 29. However, no adjustment is required for monetary assets and liabilities carried at amounts ruling at the balance sheet date, such as net realizable value or fair value, and for monetary items because they represent funds in possession, receivable or payable. All income statement items must be expressed in terms of the measuring unit current at the balance sheet date.

Non-monetary assets adjusted in accordance with the guidance in IAS 29 continue to be subject to impairment assessment in accordance with the guidance in the relevant IFRS.

The adoption of IAS 29 is immaterial to the Group's profitability, liquidity, capital resources and financial position for the first half-year ended June 30, 2023. The table below shows the specific factors used to apply IAS 29 for the first six months ended June 30, 2023.

Consumer price index	Tüketici fiyat endeks rakamları
Index as of June 30, 2022	977.90
Index as of December 31, 2022	1,128.45
Index as of June 30, 2023	1,351.59

The effects on the individual items of the consolidated balance sheet and consolidated income statement are as follows:

EUR thousand	06/30/2023	12/31/2022
<b>Non-current assets</b>	<b>418</b>	<b>451</b>
Goodwill	166	188
Intangible assets	43	52
Property, plant and equipment	210	212
<b>Current assets</b>	<b>4</b>	<b>15</b>
Inventories	4	15
<b>Equity</b>	<b>-14</b>	<b>5</b>
Retained earnings	-188	-22
Other reserves	173	27
<b>Non-current liabilities</b>	<b>1,009</b>	<b>672</b>
Contract liabilities	1,009	672
<b>Income Statement</b>	<b>H1 2023</b>	<b>H1 2022</b>
<b>Result</b>	<b>-573</b>	<b>-261</b>
Sales revenues	71	170
Cost of sales	89	139
Financial income	505	78
Financial expenses	1,059	370

## 5. SEGMENT REPORTING

### 5.1. RESULTS OF THE SEGMENTS

The Vita 34 Group reports on the two segments subgroup Vita 34 and subgroup PBKM.

The results of operations of the segments for the first half of 2023 are as follows:

H1 2023 (EUR thousand)	Subgroup Vita 34	Subgroup PBKM	Total	Consolidation	Group
Segment revenues	8,893	27,784	36,677	-408	36,269
Depreciation and amortization	-1,466	-2,819	-4,285	0	-4,285
EBITDA	-803	2,354	1,551	0	1,551
Earnings before taxes	-2,377	-2,037	-4,414	517	-3,898

The results of operations of the segments for the first half of 2022 are as follows:

H1 2022 (EUR thousand)	Subgroup Vita 34	Subgroup PBKM	Total	Consolidation	Group
Segment revenues	9,385	22,724	32,109	0	32,109
Depreciation and amortization	-1,398	-2,854	-4,252	0	-4,252
EBITDA	542	-3,155	-2,613	0	-2,613
Earnings before taxes	-919	-7,350	-8,268	714	-7,555

The differences between the totals for the two sub-segments and the figures for the Group as a whole are entirely due to the consolidation of income and expenses and the consolidation of investments.

## 5.2 INFORMATION ABOUT GEOGRAPHICAL AREAS

The Group generates its revenues of EUR 9,862 thousand (previous year: EUR 8,276 thousand) in Poland, EUR 7,406 thousand (previous year: EUR 7,638 thousand) in Germany and EUR 3,088 thousand (previous year: EUR 2,506 thousand) in Spain. The remaining revenues of EUR 15,912 thousand (previous year: EUR 13,689 thousand) are recorded in other countries. Revenue is generally allocated on the basis of the customer's domicile.

The non-current assets of the Group are distributed as follows:

EUR thousand	06/30/2023	12/31/2022
Domestic	28,453	28,085
Poland	29,137	24,678
Portugal	13,109	13,652
Other foreign countries	31,907	34,395
<b>Group</b>	<b>102,606</b>	<b>100,810</b>

Non-current assets are allocated according to the domicile of the individual Group company.

## 6. SALES REVENUES FROM CONTRACTS WITH CUSTOMERS

The sales revenues reported in the income statement for continuing operations breaks down as follows according to the type of service provided:

EUR thousand	H1 2023	H1 2022
Sales from processing/manufacturing	23,138	20,093
Sales from storage	10,919	9,609
Other sales	2,213	2,407
	<b>36,269</b>	<b>32,109</b>

### a. Income taxes

The Group calculates the periodic income tax expense using the tax rate that would be applicable to the expected total annual result. Income tax expense is comprised of the following:

EUR thousand	H1 2023	H1 2022
Actual income tax expense	-402	-492
Deferred income tax expense	77	375
	<b>-326</b>	<b>-117</b>

## 7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of financial assets and financial liabilities are shown in the following statements. The carrying amount corresponds to the fair value.

EUR thousand	06/30/2023	12/31/2022
<b>Financial assets</b>		
Financial assets at amortized cost		
Trade receivables	13,235	13,331
Miscellaneous financial assets	2,623	2,576
Other financial assets	95	0
	<b>15,953</b>	<b>15,907</b>
Financial assets measured at fair value through other comprehensive income (equity instruments)		
Other financial assets	301	293
	<b>301</b>	<b>293</b>
Cash	15,872	16,409
<b>Total financial assets</b>	<b>32,126</b>	<b>32,609</b>
<b>Financial liabilities</b>		
Financial liabilities at amortized cost		
Interest bearing loans	15,506	15,503
Trade payables	8,457	8,056
Put options	2,965	3,012
Other financial liabilities	1,844	1,617
	<b>28,772</b>	<b>28,187</b>
Financial liabilities measured at fair value through profit or loss		
Variable purchase price components	0	0
<b>Total financial liabilities</b>	<b>28,772</b>	<b>28,187</b>

Current trade receivables, other financial receivables, trade payables and other financial liabilities generally have short remaining terms. The values recognized in the balance sheet approximate the fair values.

The fair values of non-current trade receivables with remaining terms of more than one year correspond to the present values of the payments associated with the assets using a market interest rate. The classification was made in level 2 of the fair value hierarchy.

The fair value of securities investments is determined on the basis of quoted prices in active markets. The classification was made in level 1 of the fair value hierarchy.

The fair values of non-current loans and lease liabilities measured at amortized cost in the balance sheet were determined by discounting the expected future cash flows using market interest rates. In each case, the classification was made in level 2 of the fair value hierarchy.

The fair value of other financial assets is determined on the basis of appropriate valuation methods. In each case, the classification was made in level 3 of the fair value hierarchy.

## 8. INFORMATION ON RELATIONSHIPS WITH RELATED COMPANIES AND PERSONS

Related companies or persons are associated companies and joint ventures (including their subsidiaries) and non-consolidated subsidiaries, as well as persons who exercise a significant influence on the financial and business policies of Vita 34. The latter include all persons in key positions as well as their close family members. At Vita 34, these are the members of the Management Board and the Supervisory Board.

In the period from January 1 to June 30, 2023, no significant events or business transactions occurred.

## 9. EVENTS AFTER THE BALANCE SHEET DATE

After the reporting date of June 30, 2023, new financing agreements were concluded by Vita 34 AG with Commerzbank AG on August 15, 2023. These essentially replace three significant loans in Vita 34 AG and PBKM sp. z o.o. which expire closely together in 2023.

Leipzig, August 30, 2023

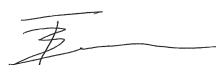
The Management Board of Vita 34 AG



Jakub Baran  
Chief Executive  
Officer



Dirk Plaga  
Chief Financial  
Officer



Tomasz Baran  
Chief Commercial  
Officer

# RESPONSIBILITY STATEMENT

To the best of our knowledge, we assure that, in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations, and that the business performance, including the business result, and the position of the Group are presented in the interim group management report in such a way that a true and fair view is given, and that the principal opportunities and risks associated with the expected development of the Group in the remaining financial year are described.

Leipzig, August 30, 2023  
The Management Board of Vita 34 AG



Jakub Baran  
Chief Executive  
Officer



Dirk Plaga  
Chief Financial  
Officer



Tomasz Baran  
Chief Commercial  
Officer

# FINANCIAL CALENDAR 2023

09/26/2023

Annual General Meeting

11/22/2023

Quarterly Statement (Q3)

## IMPRINT

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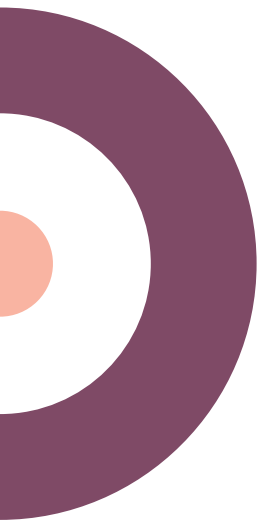
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Vita 34 on the Internet: [www.vita34group.de](http://www.vita34group.de)





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**VITA34**