

## **SUPERVISORY BOARD REPORT**

Dear shareholders,

In the reporting year 2019, the Supervisory Board intensively fulfilled the duties assigned to it by law, the Articles of Association and the rules of procedure. The Supervisory Board constantly monitored the work of the Management Board and provided advice. This was based on the written and oral reports of the Management Board, information provided by the Management Board at Supervisory Board meetings, and regular consultation meetings between the Management Board and the Chairman of the Supervisory Board. Between the regular Supervisory Board meetings, the Chairman of the Supervisory Board regularly exchanged information with the Management Board to ensure a comprehensive exchange of information between the bodies. Within the Supervisory Board body, the Chairman of the Supervisory Board also regularly exchanged information with members of the Supervisory Board on current issues concerning the company.

As a result, the Supervisory Board was informed about the intended business policy, strategy, corporate planning, the risk situation and risk management, compliance, the current 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 held 15 Supervisory Board meetings in the financial year 2019. At regular intervals, the Management Board informed the Supervisory Board in detail about the economic and financial development of the company, including the risk situation, at the Supervisory Board meetings and provided additional information upon request. With one exception, all Supervisory Board members attended all meetings. Ms. Witschaß was unable to attend the Supervisory Board meeting on February 21, 2019. The Chairman of the Supervisory Board attended all meetings. Thus, all members of the Supervisory Board attended more than half of the meetings of the Supervisory Board (Sec. 5.4.7 German Corporate Governance Code). The Supervisory Board has not formed any committees.

As of February 28, 2019, the Deputy Chairman of the Supervisory Board, Ms. Witschaß, resigned from the Supervisory Board. Mr. Richtscheid accepted the unanimous election as Deputy Chairman of the Supervisory Board on March 22, 2019. Mr. Schobinger was elected as a new member of the Supervisory Board at the 2019 Annual General Meeting.

In the period under review, the Supervisory Board was not informed by its members of any circumstances that could constitute a material and not merely temporary conflict of interest.

### **Focus of the discussions in the Supervisory Board**

In addition to general topics, the Supervisory Board dealt with issues relating to individual areas and, if

required, passed the necessary resolutions. The Supervisory Board meetings in the year under review focused on these topics:

- Development of a competence profile for the entire body
- Shareholder structure of Vita 34 AG, especially with regard to competitors
- Annual and consolidated financial statements for the financial year 2018
- Questions regarding the remuneration of the Vita 34 AG Management Board and the management of the Vita 34 Group subsidiaries
- Sales and marketing activities
- Current status of the actions for rescission, the compulsory disclosure procedure and the release procedure with regard to resolutions of the Annual General Meeting in 2018 and 2019, and options for possible termination of the proceedings
- Proposed resolutions for the Annual General Meeting 2019 including the proposal of a candidate for election to the Supervisory Board
- Review of the efficiency of the Supervisory Board's work
- Change of legal form of Seracell Pharma AG into a GmbH and subsequent merger with Seracell Stammzelltechnologie GmbH
- Possible acquisitions
- Foreign activities (business of subsidiaries and sales partners, cost reduction measures)
- Strategic development in the core business, in particular product development, further development through inorganic growth, status of research and development projects
- Renewal of the IT landscape
- Budget planning 2020 and medium-term planning 2020/2021

In the first Supervisory Board meetings in 2020 and especially in the Supervisory Board meeting on March 20 and March 22, 2020, at which the financial statements were approved, the Supervisory Board discussed intensively with the Management Board the possible effects of a further spread of the COVID-19 virus ("coronavirus") on the business development of Vita 34 AG and the precautions and countermeasures taken within the company.

### **Corporate Governance**

The Supervisory Board dealt with the corporate governance standards applied in the Company and the implementation of the recommendations and suggestions of the German Corporate Governance Code in the version dated February 7, 2017. On March 20, 2020, the Management Board and the Supervisory Board issued a Declaration of Conformity, which is printed in the "Corporate Governance" section on

page 23 of the Annual Report and published on the Company's website in the "Investor Relations" section. In this context, the Supervisory Board was informed by the external legal advisor of Vita 34 AG about the changes to the German Corporate Governance Code and the effects on Vita 34 AG.

### **Annual and consolidated financial statements, audit**

The annual financial statements of Vita 34 AG are prepared in accordance with the provisions of the German Commercial Code (HGB), the consolidated financial statements together with the summarized management report of Vita 34 AG are prepared on the basis of §§ 315, 315 a HGB in conjunction with the International Financial Reporting Standards (IFRS), as they are to be applied in the European Union. The auditor, PKF Deutschland GmbH Wirtschaftsprüfungsgesellschaft (Berlin branch), audited the annual financial statements of Vita 34 AG, the consolidated financial statements and the combined management report. The audit mandate was issued in accordance with the resolution of the Annual General Meeting, legal provisions and the provisions of the GCGC.

As a result, it should be noted that the provisions of the German Commercial Code (HGB) and IFRS were complied with in the preparation of the financial statements. The annual financial statements and the consolidated financial statements each received unqualified opinions. The financial statement documents were discussed in detail at the financial statement meeting of the Supervisory Board in the presence and following a report of the auditor. At this meeting, the representatives of the auditor reported on the main results of their audit and on the control and risk management system with regard to accounting. They also discussed the scope, focus and costs of the audit. Furthermore, they stated that there were no reasons for bias; PKF Deutschland GmbH Wirtschaftsprüfungsgesellschaft only provided auditing services.

The Supervisory Board examined the annual financial statements, the consolidated financial statements, the combined management report and the proposal for the appropriation of profits. As a result of our own examination, no objections were raised against the annual financial statements of Vita 34 AG, the consolidated financial statements of Vita 34 AG, the combined management report, the corresponding audit reports of the auditor and the proposal for the appropriation of the balance sheet profit. Following its own examination, the Supervisory Board agreed with the results of the audit, adopted the annual financial statements of Vita 34 AG prepared by the Management Board and approved the consolidated financial statements. The Supervisory Board agrees with the combined management report and in particular with the assessment of the further development of the Company.

The Supervisory Board would like to thank the Management Board and the employees for their work during this financial year.

March 22, 2020

For the Supervisory Board

A handwritten signature in black ink, appearing to read 'Frank Köhler', written in a cursive style.

Frank Köhler

Chairman of the Supervisory Board