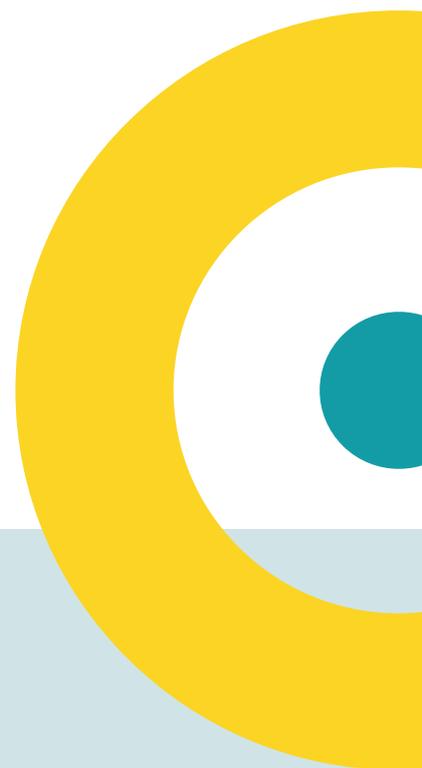




# QUARTERLY STATEMENT

January to March 2020



# LETTER FROM THE MANAGEMENT BOARD

*Dear Shareholders,*

In the first quarter of 2020, Vita 34 AG was able to achieve an overall satisfactory result with stable business development. At EUR 4.7 million, the revenue development was just below the previous year's figure of EUR 4.8 million. We see the slight weakening in revenue and consequently also in the earnings development as a temporary effect of the first quarter of 2020, because the incoming orders in March already show a moderate upward trend again for Germany.

This positive trend also shows that the direct effects of the COVID-19 pandemic have little impact on the development of Vita 34 AG as things stand today. In the medium term, even positive impulses are conceivable. The growing focus on health aspects further strengthens the awareness of expecting parents to let their children participate in comprehensive health care at the start of their lives. Furthermore, we expect additional attention to the regenerative potential of stem cells from umbilical cord blood and umbilical cord tissue in the event of positive results from 19 ongoing clinical studies worldwide for the treatment of COVID-19 pneumonia using mesenchymal stem cells from umbilical cord tissue. First results of these studies are expected later in 2020.

Intensified marketing and sales activities are expected to make an important contribution to a continued positive revenue development. We already increased our expenditure in this area in the fourth quarter of 2019 and continued to do so consistently in the first quarter of 2020. The focus will be on increased communication with and product-specific information for gynecologists and midwives as key multipliers in our business. In addition, online activities for addressing customers are being continuously expanded and optimized. All measures are aimed at organic growth and the expansion of our leading market position, especially in our core market DACH.

It is therefore all the more important to maintain process stability. For this reason, we attached great importance not only to intensifying our marketing and sales activities in the first quarter of 2020, but also to ensuring supply security for production-relevant primary products. Working capital increased slightly as a result.

Our very conscious decision to launch additional marketing and sales activities in the fourth quarter of 2019 and then to further intensify them in the first quarter of 2020 slightly slowed down our earnings development. In combination with the slightly lower revenue, EBITDA fell by 9.9% to EUR 1.2 million. Thus, the EBITDA margin (based on revenue) amounted to still very satisfactory 24.9%, although slightly below the very good comparative figure for 2019 of 27.0%.

We see the selective intensification of marketing and sales activities as an important investment in the future, which will be reflected in revenue and earnings in the short and medium term.

Even in the current environment, we are continuing to pursue our future projects as planned, such as our development project for the storage of immune cells from peripheral blood. Based on the current business development, we are sticking to our forecasts for the year 2020 as a whole.

Leipzig, May 2020



Dr. Wolfgang Knirsch  
CEO



Falk Neukirch  
CFO

# GROUP KEY FIGURES

		Q1 2020	Q1 2019
<b>Income Statement</b>			
Sales revenue	EUR thousand	4,674	4,785
Gross profit	EUR thousand	2,770	2,889
EBITDA	EUR thousand	1,164	1,292
EBITDA margin as a percentage of sales	%	24.9	27.0
Operating result (EBIT)	EUR thousand	556	678
Result for the period	EUR thousand	369	461
Earnings per share	EUR	0.09	0.11
<b>Balance sheet</b>			
		Mar. 31, 2020	Dec. 31, 2019
Balance sheet total	EUR thousand	60,891	61,099
Equity	EUR thousand	30,639	30,268
Equity ratio	%	50.3	49.5
Liquid funds	EUR thousand	9,111	9,102
<b>Cash flow</b>			
		Q1 2020	Q1 2019
Investments	EUR thousand	111	262
Depreciation and amortization	EUR thousand	609	614
Cash flow from operating activities	EUR thousand	691	1,223
<b>Employees</b>			
		Mar. 31, 2020	Dec. 31, 2019
At the reporting date	Number	120	120

## Business Development and Results of Operations

In the first quarter of 2020, Vita 34 AG recorded a stable business performance compared to the same period of the previous year in terms of revenue. In international business, the restructuring measures implemented had a positive effect. Business in the core market Germany was temporarily slightly slowed down, where the development from the fourth quarter of 2019 continued in part in the first quarter of 2020. Incoming orders at the end of the first quarter of 2020 were quite encouraging and showed a positive trend.

The revenue development in the first quarter of 2020 was unaffected by the effects of the COVID-19 pandemic. Vita 34 was able to generate revenue of EUR 4.7 million in the reporting period. This is a slight decline of 2.3% compared to the previous year's figure of EUR 4.8 million.

Two factors had an impact on the earnings trend: firstly, the slight decline in revenue and, secondly, the intensified marketing and sales activities that were already initiated in the fourth quarter of 2019. Their further intensification and increase in budgets by around 9% year-on-year were temporarily reflected in earnings. At the same time, administrative expenses were kept at the low level achieved. The pronounced cost discipline was thus continued in 2020.

EBITDA declined by 9.9% from EUR 1.3 million to EUR 1.2 million in the first quarter. The EBITDA margin (based on revenue) fell slightly from 27.0% to 24.9%. EBIT fell from EUR 0.7 million to EUR 0.6 million, a decline of 18.0%. This operating development

also continued in the net result. Consolidated result for the period fell slightly from EUR 0.5 million to EUR 0.4 million. Earnings per share amounted to EUR 0.09 after EUR 0.11 in the prior-year period.

## Financial Position and Net Assets

Cash flow from operating activities amounted to EUR 0.7 million after three months, compared with EUR 1.2 million in the previous year. Responsible for this development were, on the one hand, the slightly slowed down earnings development and, above all, a slightly increased inventory level. This served to ensure the most reliable supply possible of production-relevant materials in order to be prepared for possible limited availability during the COVID-19 pandemic and to be able to guarantee process stability at all times. Cash flow was also slowed down by slightly higher receivables as of the balance sheet date, which resulted primarily from R&D funds not yet drawn down.

With investments of EUR 0.1 million in the reporting period, free cash flow amounted to EUR 0.6 million.

Cash and cash equivalents amounted to EUR 9.1 million as of March 31, 2020 and were thus at the same level as on December 31, 2019.

In the first three months of 2020, there were no further material changes in the Group's financial position and net assets compared with December 31, 2019 or the same period of the previous year.

## Supplementary Report

In the annual financial statements for the fiscal year 2019 published on March 23, 2020, the Management Board and Supervisory Board of Vita 34 AG had proposed to distribute a dividend of EUR 0.16 per share, unchanged from the previous year. Against the background of the worldwide SARS-CoV-2 pandemic and its economic consequences, the Management Board and Supervisory

Board decided on May 5, 2020, for reasons of caution, to propose to the Annual General Meeting that the balance sheet profit of EUR 1,530,184.01 reported in the annual financial statements of Vita 34 AG as of December 31, 2019 be transferred in full to other retained earnings. This should help to secure liquidity, competitiveness and jobs in the company even in times of crisis.

## Forecast

Against the background of the stable business development in the first quarter and the current indication for the second quarter, the Management Board of Vita 34 continues to adhere to its forecasts for the year 2020 as a whole. Revenue is expected to be between EUR 19.0 and 21.0 million (excluding acquisitions) and EBITDA

between EUR 4.8 and 5.8 million. In general, the Management Board considers the sensitivity of the Vita 34 business model to economic fluctuations to be low. The current assessment of the company's development in fiscal year 2020 does not include the effects of a significantly wider spread of COVID-19.

# Share

## Key Share Data Q1 2020

Ticker symbol/Reuters symbol	V3V/V3VGn.DE
Securities identification number/ISIN	A0BL84/DE000A0BL849
Number of shares	4,145,959
Price on 01/02/2020*	EUR 12.95
Price on 03/31/2020*	EUR 10.55
Market capitalization (03/31/2020)	EUR 43.7 million

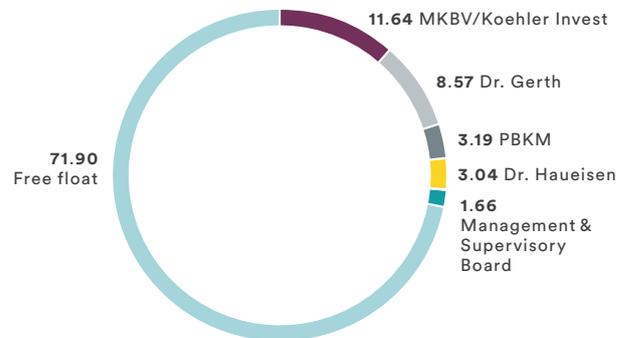
\* Closing prices Xetra trading system of Deutsche Börse AG

## Share Price Development Q1 2020

— Vita 34 AG (indexed) — DAXsectorPharma & Healthcare (Perf.) (indexed)  
 — NASDAQ HealthCare (indexed)



## Shareholder Structure (as of March 31, 2020) in %



## Consolidated Income Statement

EUR thousand	Q1 2020	Q1 2019
Sales revenue	4,674	4,785
Cost of sales	-1,903	-1,896
<b>Gross profit on sales</b>	<b>2,770</b>	<b>2,889</b>
Other operating income	227	150
Marketing and selling costs	-1,400	-1,282
Administrative expenses	-1,014	-1,071
Other operating expenses	-27	-7
<b>Operating result (EBIT)</b>	<b>556</b>	<b>678</b>
Financial income	5	4
Financial expenses	-49	-59
<b>Earnings before taxes</b>	<b>512</b>	<b>623</b>
Income tax expense/income	-143	-162
<b>Result for the period after taxes</b>	<b>369</b>	<b>461</b>
<b>Attribution of the result for the period to the:</b>		
Owners of the parent company	365	464
Non-controlling interests	4	-3
<b>Earnings per share, undiluted/diluted (EUR)</b>		
Undiluted and diluted, relating to the result for the period attributable to the holders of ordinary shares of the parent company	0.09	0.11

## Consolidated Balance Sheet (Assets)

### Assets

EUR thousand	Mar. 31, 2020	Dec. 31, 2019
<b>Non-current assets</b>		
Goodwill	18,323	18,323
Intangible assets	18,160	18,525
Property, plant and equipment	7,285	7,285
Right-of-use assets	1,798	1,905
Other assets	1,007	1,012
Trade receivables	584	632
Restricted cash	540	540
	<b>47,696</b>	<b>48,221</b>
<b>Current assets</b>		
Inventories	346	294
Trade receivables	2,948	2,879
Income tax receivables	67	44
Other receivables and assets	723	559
Cash and cash equivalents	9,111	9,102
	<b>13,195</b>	<b>12,878</b>
<b>Total Assets</b>	<b>60,891</b>	<b>61,099</b>

## Consolidated Balance Sheet (Equity and Liabilities)

### Equity and Liabilities

EUR thousand	Mar. 31, 2020	Dec. 31, 2019
<b>Equity</b>		
Subscribed capital	4,146	4,146
Capital reserves	24,012	24,012
Retained earnings	2,804	2,440
Other reserves	-180	-183
Treasury shares	-261	-261
Non-controlling interests	118	114
	<b>30,639</b>	<b>30,268</b>
<b>Non-current liabilities</b>		
Interest-bearing loans	3,424	3,799
Leasing liabilities	1,253	1,356
Deferred grants	785	797
Contract liabilities	11,568	11,563
Provisions	14	14
Pension provisions	56	56
Deferred income taxes	4,959	4,828
	<b>22,059</b>	<b>22,414</b>
<b>Current liabilities</b>		
Trade payables	1,243	1,266
Provisions	82	104
Income tax payables	710	703
Interest-bearing loans	1,534	1,584
Leasing liabilities	545	546
Deferred grants	46	45
Contract liabilities	2,814	2,871
Other liabilities	1,219	1,298
	<b>8,193</b>	<b>8,417</b>
<b>Total Equity &amp; Liabilities</b>	<b>60,891</b>	<b>61,099</b>

# Consolidated Cash Flow Statement

EUR thousand	Q1 2020	Q1 2019
<b>Cash flow from operating activities</b>		
Earnings before taxes for the period	512	623
Adjusted for:		
Depreciation and amortization	609	614
Gains/losses from the disposal of non-current assets	4	0
Other non-cash expenses/income	1	-10
Financial income	-5	-4
Financial expenses	49	48
Changes in net working capital:		
+/- Inventories	-52	102
+/- Receivables and other assets	-180	116
+/- Liabilities	-102	-162
+/- Contract liabilities	-53	-9
+/- Provisions	-22	0
Interest paid	-41	-44
Income taxes paid	-29	-52
<b>Cash flow from operating activities</b>	<b>691</b>	<b>1,223</b>
<b>Cash flow from investing activities</b>		
Purchase of intangible assets	0	-5
Purchase of property, plant, and equipment	-111	-256
Proceeds from the sale of property, plant, and equipment	0	2
Interest received	3	4
<b>Cash flow from investing activities</b>	<b>-108</b>	<b>-255</b>
<b>Cash flow from financing activities</b>		
Proceeds from share issues	0	176
Payment for repayment of financial loans	-435	-448
Payments for leases	-138	-131
<b>Cash flow from financing activities</b>	<b>-574</b>	<b>-403</b>
Net change in cash and cash equivalents	9	565
Cash and cash equivalents at the beginning of the reporting period	9,102	6,960
<b>Cash and cash equivalents at the end of the reporting period (liquid funds)</b>	<b>9,111</b>	<b>7,525</b>

# FINANCIAL CALENDAR 2020

July 1, 2020	Annual General Meeting
August 27, 2020	Publication of Half-year Financial Report
November 12, 2020	Publication of Quarterly Statement (Q3)

## IMPRINT

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### CONCEPT & DESIGN

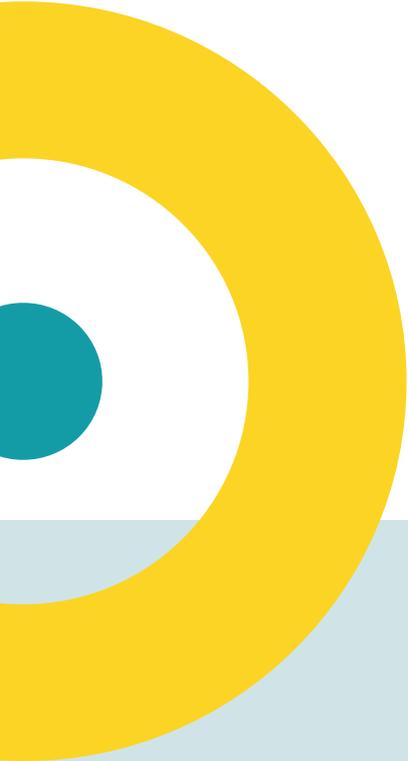
Silvester Group, Hamburg

### PUBLICATION

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**VITA34**