

VITA34

# INTERIM REPORT

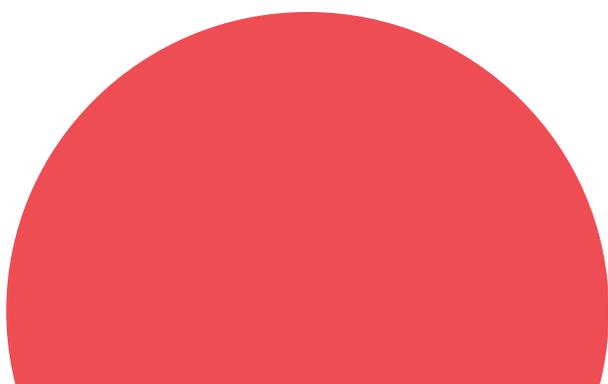
January to June 2022



# GROUP KEY FIGURES

		Q2 2022	Q2 2021*	H1 2022	H1 2021*
<b>Income statement</b>					
Sales revenue	EUR thousand	16,629	5,264	32,109	10,465
Gross profit	EUR thousand	3,831	2,995	7,423	6,016
EBITDA	EUR thousand	-1,549	780	-2,613	1,651
EBITDA margin as a percentage of sales	%	-9.3	14.8	-8.1	15.8
Operating result (EBIT)	EUR thousand	-3,671	-7	-6,865	126
Result for the period	EUR thousand	-4,735	-143	-7,672	-312
Earnings per share	EUR	-0.30	-0.04	-0.48	-0.08
<b>Balance sheet</b>					
Balance sheet total	EUR thousand			174,360	177,946
Equity	EUR thousand			36,614	41,942
Equity ratio	%			21.0	23.6
Liquid funds	EUR thousand			25,401	33,298
<b>Cash flow</b>					
Cash flow from investing activities	EUR thousand			-2,712	-444
Depreciation and amortization	EUR thousand			4,252	1,525
Cash flow from operating activities	EUR thousand			-2,189	1,792

\* Prior-year figures adjusted. The adjustments are explained in Note 2.3 of the Annual Report 2021.



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# LETTER FROM THE MANAGEMENT BOARD

*Dear Shareholders,*

In the transition year 2022, which we have anticipated in such a way, and following the successful merger of PBKM and Vita 34, we are progressing according to plan with the integration and synergy projects we have set up. We even recently decided to bring forward significant post-merger projects to 2022 that were originally scheduled for 2023. At the same time, we are operating in a market characterized by a confluence of the Corona pandemic, the Ukraine war, unforeseen levels of inflation, rising interest rates, uncertainty about energy security and economic concerns. In many markets in which we are active, this is currently leading to growing consumer restraint. This restraint is also having an impact on expectant parents and their decisions regarding long-term healthcare provision for their children. We see a temporary effect here, which is reflected in the figures for the first half of 2022. While our consolidated sales tripled from EUR 10.5 million to EUR 32.1 million in the course of the merger, sales in the subgroup Vita 34 segment decreased from EUR 10.5 million to EUR 9.4 million on a comparable basis. This development was also very similar in the subgroup PBKM segment with a sales level of currently EUR 22.7 million, even though we cannot report any comparative figures for 2021 here due to different accounting policies used by the companies before the merger. The fact that the burdens are of a temporary nature is shown by selective recovery tendencies in the new customer business. However, it is still too early to speak of a clear trend.

The quite challenging market environment with a confluence of several burdening factors, unprecedented in recent history, should not obscure the view of the great potential that lies open to the Vita 34 Group, which was newly created in 2021. With over 860,000 deposits of biological material, with more than 235,000 customers with whom recurring sales are generated over very long periods of time, already contributing more than one third to consolidated sales, and with cash and cash equivalents of EUR 25.4 million, we have created quite a good basis for future growth. These key figures underline the strength of our core business, cell banking. We are clear number 1 in Europe and number 3 in the world. Even though we are currently navigating challenging waters here, the first half of 2022 has also shown that we have a very stable basis in terms of sales and cash flows in our core business. The new size we have achieved provides additional comfort.

We are using the current phase of market consolidation to drive forward our integration and synergy projects. These include, in particular, the merging of activities in Switzerland, the streamlining of operations in Spain under the clear responsibility of a country manager, initial projects in joint purchasing, and the start of the standardization of IT systems. Once the negative market factors have subsided and consumers have gradually become accustomed to the new conditions, we aim to operate on the market with 100% clout.

In the medium term, our growth is to be driven primarily by the combined core and new business areas and the stably growing cash flows from the subscription clients. At the same time, we are making further progress in expanding our value chain. On the one hand, we plan to act as a service provider (CDMO) for third parties like biotech or pharmaceutical companies in the future, and on the other hand, we will develop our own drugs and therapies. It is however important to underline that we are not considering investing in basic science. Foremost among these are blood cancer therapies and therapies for other diseases that are still incurable, where the key to successful treatment, according to the current state of scientific knowledge, will lie in the body's own cells. We already generate five percent of our consolidated sales with these emerging business areas. Some of the clinical trials required to develop the therapies are already at an advanced stage and therefore already offer considerable potential for a fundamental reassessment of the Group. We have also made further targeted investments in these areas in the first half of 2022.

In this phase of even stronger future orientation, both through the leveraging of synergies in the new Group and through the expansion of the new business areas, 2022 will remain a transition year for Vita 34. This is also clearly illustrated by the accounting treatment of sales in our subgroup PBKM. With the application of the Vita 34 accounting guidelines, which according to current prevailing opinion and practice in Germany must be strictly oriented to the so-called legality principle, the sales recognition for the subgroup PBKM had to be adjusted accordingly. As a result, in the annual financial statements 2021 and now also in the first half of 2022, we had to report significantly reduced or delayed sales and thus also earnings contributions due to this IFRS 15 effect than was the case in the past at PBKM due to the interpretation of IFRS 15 in accordance with the so-called economic efficiency principle in Poland. Now, at the end of August, in close consultation with our legal and business advisers, we succeeded in reaching an agreement on how to structure the storage contracts with our customers in the subgroup PBKM in such a way that they can be accounted for again for a longer period – similar to the original accounting treatment at PBKM. As of today, the positive effect of this decision amounts to around EUR 9.0 million per year and has an equal impact on consolidated sales and earnings before interest, taxes, depreciation and amortization (EBITDA). Although the new accounting treatment will be applied immediately, contrary to our previous planning it will essentially only have a positive impact from the fourth quarter of 2022. We had originally forecast consolidated sales in the range of between EUR 68 and 75 million and consolidated EBITDA of between EUR –2 and 1 million. We lowered this sales and earnings forecast on August 29, 2022 due to the IFRS 15 effect and accelerated restructuring measures, so that we now expect consolidated sales between EUR 65 and 72 million and EBITDA between EUR –6 and –3 million. We are certain that our efforts in the now and today will pay off to the maximum extent for the future of our Group. We look forward to you continuing to accompany us on this exciting journey.

On our own account: Dirk Plaga was appointed as the new Chief Financial Officer effective August 1, 2022. The previous interim CFO Andreas Schafhirt continues to support our post-merger integration as a consultant. We would like to thank him sincerely for his successful work and look forward to continuing to work with him in his new role.

Leipzig, August 2022

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 2022

Ticker symbol/Reuters symbol	V3V/V3VGn.DE
Securities identification number/ISIN	A0BL84/DE000A0BL849
Number of shares	16,036,459
Price on 01/03/2022*	EUR 15.10
Price on 06/30/2022*	EUR 10.55
Market capitalization on 06/30/2022*	EUR 169.2 million

\* Closing prices Xetra trading system of Deutsche Börse AG

## RESEARCH

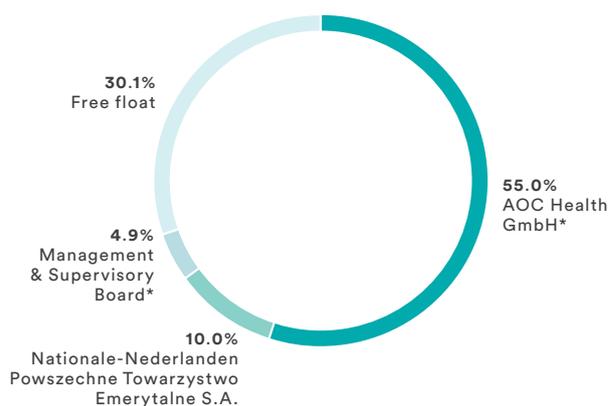
In the first half of 2022, Vita 34 AG was covered by analysts of Montega AG. In its current study dated August 29, 2022, Montega AG rated the Vita 34 share as “hold” with a price target of EUR 10.00.

## ANNUAL GENERAL MEETING

This year’s Annual General Meeting of Vita 34 AG was again held in virtual form on June 29, 2022. At the time of voting, 73.2% of the voting capital and thus significantly more than in previous years were represented at the meeting. In addition to the usual resolutions on the appropriation of the balance sheet profit, the formal approval of the actions of the Management Board and

Supervisory Board, and the election of the auditor, the agenda included resolutions on the election of the Supervisory Board, the change of the company’s name to FamiCord AG, and the creation of new Authorized Capital 2022 and an authorization to acquire treasury shares. The shareholders approved all agenda items with a large majority.

## Shareholder structure as of June 2022



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

## Share price development H1 2022

— 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

The COVID-19 pandemic had a more noticeable impact on the business performance in the first half of 2022 than in the previous years 2020 and 2021. The reason for this was the several times higher infection rates, which meant that correspondingly more expectant parents were also confronted with infections in the phase immediately before or during birth. In this situation, the preparation, decision and execution of cell collection and storage were also significantly more difficult than usual.

The company continued to make no use of assistance measures such as short-time working or government assistance loans in the context of the pandemic. There were minor effects, for example, on general business operations due to the continued safety measures and the reduction in travel by the sales force.

### CORPORATE STRUCTURE AND SHAREHOLDINGS

On April 7, 2022, Polski Bank Komorek Macierzystych S.A. (Warsaw, Poland) acquired 100% of the shares in FamiCells Sàrl (Marly, Switzerland) from FamiCordon S.A. (Madrid, Spain) with the further purpose of merging it with FamiCord Suisse. The transaction results in a change within the Group structure, but has no impact on the condensed interim consolidated financial statements as of June 30, 2022.

As of May 30, 2022, the liquidation and simultaneous deletion from the commercial register of the company Stemlab Diagnostic S.R.L. (Galati, Romania) took place. Its business, assets and liabilities were previously transferred to Biogenis S.R.L. (Bucharest, Romania).

Both transactions serve to simplify the Group structure.

### BUSINESS PERFORMANCE

The overall environment of a pandemic, the war in Ukraine, inflation, rising interest rates, uncertainty about energy supplies and economic fears have had a negative impact on people's willingness to spend in many countries, especially on expectant parents. Overall, business and sales performance fell slightly short of expectations. The share of contracts concluded with tissue storage or placenta continues to rise slightly, resulting in an increase in revenue per contract concluded as well as in recurring revenue. The same applies to the increasing number of contract renewals. Furthermore, Vita 34 pushed the annual subscription model in several countries with good success. This lowers the

entry barrier for customers, which is particularly important in the current economic environment. In addition, Vita 34 is aiming to increase its market share in the UK with an attractive pricing policy.

The post-merger integration efforts continue to run according to plan. In the still early stage of the Group-wide integration, there is a strong focus on achieving growth synergies. In addition to a number of cost-cutting and cost-shifting measures, it is a conscious strategic decision to keep marketing activities and staffing generally at a high level so as not to block market opportunities when the environment becomes more positive again. The new activities in the areas of Cell and Gene therapies (including CAR-T) and CDMO are being vigorously pursued. The Group participated in several biotech partnership conferences in the first half of 2022 so that the pipeline of potential partnerships is under development. Here, we are also on track.

## RESULTS OF OPERATIONS

Note: Prior-year figures have been adjusted due to findings of the German Financial Reporting Enforcement Panel (FREP). The periods H1 2022 and H1 2021 as well as Q2 2022 and Q2 2021 are not comparable as PBKM was consolidated for the first time effective November 8, 2021.

### FIRST HALF OF 2022

In the first half of 2022, the Vita 34 Group achieved sales of EUR 32.1 million. In the same period of the previous year, this figure was EUR 10.5 million excluding the subgroup PBKM. Overall, cell banking represents around 95% of consolidated sales. Including new customer contracts, the number of contracts with annual payments increased to a total of more than 235,000 contracts. Consequently, recurring revenues totaled EUR 9.6 million for the 6-month period ended June 30, 2022.

Cost of sales increased from EUR 4.5 million to EUR 24.7 million. The disproportionate increase in relation to the cost of sales ratio is attributable in particular to effects from PBKM, which has a higher cost of sales ratio for various reasons.

Marketing and selling expenses amounted to EUR 4.9 million in the first half of 2022 (previous year: EUR 2.6 million). Vita 34 is consciously consistently continuing its own marketing and sales activities despite the currently weaker market environment. In addition, administrative costs remain at a high level of EUR 9.8 million, which is partly due to further expenses for the new activities in the areas of Cell and Gene therapies

(incl. CAR-T) and CDMO. In the current early stage of Group-wide integration, there is a strong focus on achieving growth synergies. Other operating expenses amounted to EUR 1.1 million and were thus significantly below the previous year's figure of EUR 1.4 million, which is due in particular to one-off expenses in 2021 in connection with the business combination.

Reported EBITDA for the first six months of 2022 was EUR –2.6 million (previous year: EUR 1.7 million). EBIT for the first half of 2022 amounted to EUR –6.9 million (previous year: EUR 0.1 million). The result for the period totaled EUR –7.7 million (previous year: EUR –0.3 million) and, based on the 6-month period, corresponds to earnings per share of EUR –0.48 (previous year: EUR –0.08).

## SECOND QUARTER OF 2022

The second quarter of 2022 showed a slight improvement in demand in certain areas compared with the first quarter of 2022. Sales of EUR 16.6 million exceeded the previous quarter's figure of EUR 15.5 million. In the prior-year quarter, which is not comparable, EUR 5.3 million was generated. In terms of newly signed agreements, we noticed high single digit growth.

EBITDA for the second quarter of 2022 amounted to EUR –1.5 million. In the first quarter, it was EUR –1.1 million and in the same period of the previous year EUR 0.8 million. Essentially, the earnings development of the first quarter of 2022 also continued in the months of April to June. We intend to opportunistically maintain our marketing and sales activities in particular at a high level and decide on a situational basis in which markets and at what times we will remain active or, if necessary, scale back budgets at least temporarily. We have also continued to invest in R&D and newly developing business areas. Subsequent one-off transaction costs from the merger of Vita 34 and PBKM were hardly incurred in the second quarter and amounted to less than EUR 0.1 million. EBIT for the second quarter of 2022 was EUR –3.7 million after an almost break-even operating result in the prior-year period. The result for the 3-month period April to June is calculated at EUR –4.7 million.

## DEVELOPMENT IN THE SEGMENTS

Since the merger with PBKM, the Vita 34 Group reports on the two segments subgroup Vita 34 and subgroup PBKM.

In the subgroup Vita 34 segment, sales in the first half of 2022 decreased by 10.3% from EUR 10.5 million to EUR 9.4 million. This was due to the environmental factors described above, which also impacted demand in the DACH region. Segment EBITDA amounted to EUR 0.5 million, compared with EUR 1.7 million in the prior-year period. At EUR 0.3 million, investments in the subgroup Vita 34 were once again slightly below the previous year's figure of EUR 0.5 million and continue to reflect a restrained investment strategy.

In the subgroup PBKM, sales in the first six months of 2022 amounted to EUR 22.7 million. Comparable figures for the previous year are not available. EBITDA for the segment amounted to EUR –3.2 million. Investments in the subgroup PBKM amounted to EUR 2.2 million and were almost exclusively made in the new business areas.

## FINANCIAL POSITION

The earnings performance impacted by continued investment in R&D and newly developing areas also had a direct effect on the cash flow development in the first half of 2022. Cash flow from operating activities was EUR –2.2 million, compared with EUR 1.8 million in the prior-year period. The decline in earnings could not be fully compensated for by increased depreciation and amortization and higher contract liabilities. The comparability of the cash flow statement with the prior-year period is also very limited. The share of contracts concluded with tissue storage continues to increase, leading to a rise in revenue per contract concluded as well as in recurring revenue and thus to higher cash flows in the future. The same applies to the increasing number of contract renewals. In addition, the annual subscription model is being pushed further in several countries. This lowers the entry barrier 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, leading to higher cash flows overall.

Against the background of the new Group size, cash flow from investing activities increased from EUR –0.4 million to EUR –2.7 million. 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 increased from EUR –1.1 million to EUR –3.0 million. It was mainly influenced by the repayment of financial loans, lease payments and inflows from transactions with minority shareholders. Cash and cash equivalents amounted to EUR 25.4 million as of June 30, 2022 (December 31, 2021: EUR 33.3 million).

## NET ASSETS

At EUR 174.4 million, the balance sheet total remained virtually stable compared with the figure of EUR 177.9 million as of December 31, 2021. On the assets side of the balance sheet, non-current assets grew slightly from EUR 122.3 million to EUR 123.7 million. This was mainly due to a small rise in property, plant and equipment as a result of investments. These increases more than offset the scheduled depreciation of property, plant and equipment and amortization of intangible assets resulting from the valuation of customer contracts in the course of acquisitions. Current assets decreased from EUR 55.7 million to EUR 50.7 million. The main reason for this was the reduction in cash and cash equivalents from EUR 33.3 million to EUR 25.4 million.

On the liabilities side of the balance sheet, equity developed largely in line with the earnings situation in the first half of 2022 and fell accordingly from EUR 41.9 million as of December 31, 2021 to EUR 36.6 million. The equity ratio decreased mathematically from 23.6% to 21.0%.

Non-current liabilities increased slightly to EUR 73.7 million as of June 30, 2021 (December 31, 2021: EUR 72.6 million). Interest-bearing loans recorded a significant decrease from EUR 11.0 million to EUR 8.1 million. This resulted from transfers due to the maturity

profile and scheduled repayments. In contrast, contract liabilities rose significantly from EUR 41.7 million to EUR 43.8 million. The reason for this is the special structure of the storage contracts at PBKM with the possibility of termination and corresponding accrual-based recognition of sales and obligations. Contract liabilities (non-current and current) account for 59.7% of the liabilities reported in the balance sheet.

Current liabilities increased slightly from EUR 63.4 million to EUR 64.0 million. The main reason for the rise was higher potential repayment obligations, which are reported at EUR 23.7 million as of June 30, 2022 (December 31, 2021: EUR 21.8 million). They include obligations arising from acquisitions to fulfill concluded storage contracts and storage fees collected in advance from customers. The storage contracts of PBKM include a theoretical annual termination option and are recognized accordingly in the balance sheet. By contrast, significant other items within current liabilities, such as trade payables and interest-bearing loans, decreased slightly.

## Opportunity and Risk Report

A detailed opportunity and risk report is contained in the Annual Report 2021 (page 32 et seq.). In the reporting period, there were no significant changes to the opportunities and risks presented therein.

## Forecast Report

Against the background of the difficult economic and market environment, the Management Board originally forecast consolidated sales of between EUR 68 and 75 million and EBITDA of between EUR -2 and 1 million for the fiscal year 2022 in the consolidated financial statements 2021. At the same time, intensive efforts have already been made to make suitable adjustments to the contractual terms and conditions in order to be able to recognize a greater volume of sales from newly concluded contracts in the future. On August 29, 2022, in close consultation with its legal and business advisors, Vita 34 succeeded in reaching an agreement on how the company can structure its storage contracts with customers in the subgroup PBKM in such a way that they can be accounted for again for a longer period of time – similar to the original accounting treatment at PBKM. As of today, the positive effect of this decision amounts to around EUR 9.0 million per year and has an equal impact on consolidated sales and EBITDA. This will be taken into account in the contractual regulations with immediate effect.

Since, due to the nature of Vita 34's business model, contract conclusions lead to invoicing after an average of four to six weeks at the earliest, the consensus reached will have a minor impact on the development in the third quarter of 2022 and will have a positive effect on the company's consolidated sales and earnings particularly from the fourth quarter of 2022 onwards. However, in its original forecast for the full year 2022, the company already anticipated this effect from the third quarter onwards, which means that the estimate of both consolidated sales and EBITDA was set too high by EUR 2.5 million.

Furthermore, on August 29, 2022, the Management Board decided to bring forward significant restructuring measures to leverage post-merger synergies already into the current fiscal year 2022 against the background of the current market environment. The location measures relate primarily to the markets in Poland, Portugal, Switzerland as well as Spain and will lead to a one-time special charge at EBITDA level of EUR -1.5 million.

Against the background of the aforementioned effects and the continuing difficult market environment, the Management Board is adjusting the forecast ranges for consolidated sales to EUR 65 to 72 million (previously: EUR 68 to 75 million) and for EBITDA to EUR -6 to -3 million (previously: EUR -2 to 1 million).

## 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, 2022

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 2022	Q2 2021*	H1 2022	H1 2021*
Sales revenue	16,629	5,264	32,109	10,465
Cost of sales	-12,799	-2,270	-24,686	-4,450
<b>Gross profit on sales</b>	<b>3,831</b>	<b>2,995</b>	<b>7,423</b>	<b>6,016</b>
Other operating income	712	101	1,462	211
Marketing and selling costs	-2,663	-1,382	-4,920	-2,578
Administrative expenses	-4,873	-1,036	-9,780	-2,165
Other operating expenses	-678	-686	-1,050	-1,358
<b>Operating result (EBIT)</b>	<b>-3,671</b>	<b>-7</b>	<b>-6,865</b>	<b>126</b>
Financial income	390	15	523	28
Financial expenses	-788	-47	-1,213	-90
<b>Earnings before taxes</b>	<b>-4,069</b>	<b>-40</b>	<b>-7,555</b>	<b>64</b>
Income tax expense/income	-666	-103	-117	-376
<b>Result for the period after taxes</b>	<b>-4,735</b>	<b>-143</b>	<b>-7,672</b>	<b>-312</b>
<b>Attributable to:</b>				
Owners of the parent company	-4,609	-144	-7,419	-315
Non-controlling interests	-126	2	-253	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	-0.30	-0.04	-0.48	-0.08

\* Prior-year figures adjusted. The adjustments are explained in Note 2.3 of the Annual Report 2021.

## Consolidated Statement of Comprehensive Income

EUR thousand	Q2 2022	Q2 2021*	H1 2022	H1 2021*
<b>Result for the period</b>	<b>-4,735</b>	<b>-143</b>	<b>-7,672</b>	<b>-312</b>
<b>Other comprehensive income</b>				
Currency translation differences	0	0	-1	2
<b>Other comprehensive income to be reclassified to the income statement in subsequent periods</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>2</b>
<b>Total comprehensive income after taxes</b>				
Attribution of the comprehensive income after taxes to				
Owners of the parent company	-4,609	-144	-7,420	-313
Non-controlling interests	-126	2	-253	3

\* Prior-year figures adjusted. The adjustments are explained in Note 2.3 of the Annual Report 2021.

## Consolidated Balance Sheet (Assets)

### Assets

EUR thousand	June 30, 2022	Dec. 31, 2021
<b>Non-current assets</b>		
Goodwill	53,833	53,653
Intangible assets	21,328	22,828
Property, plant and equipment	22,751	21,861
Right-of-use assets	11,236	10,012
Shares in associated companies	414	422
Other financial assets	753	1,005
Other non-financial assets	1,557	1,559
Deferred tax assets	9,923	9,144
Contract assets	1,265	1,089
Trade receivables	494	575
Restricted cash	119	119
	<b>123,672</b>	<b>122,267</b>
<b>Current assets</b>		
Inventories	4,147	3,299
Trade receivables	12,779	12,113
Income tax receivables	581	1,044
Contract assets	3,062	2,811
Other financial receivables and assets	2,712	2,076
Other non-financial receivables and assets	2,006	1,038
Cash and cash equivalents	25,401	33,298
	<b>50,687</b>	<b>55,679</b>
<b>Total assets</b>	<b>174,360</b>	<b>177,946</b>

## Consolidated Balance Sheet (Equity and Liabilities)

### Equity and Liabilities

EUR thousand	June 30, 2022	Dec. 31, 2021
<b>Equity</b>		
Subscribed capital	16,036	16,036
Capital reserves	33,851	36,960
Retained earnings	-6,827	-5,120
Other reserves	-2,988	-1,989
Treasury shares	-2,813	-2,813
Non-controlling interests	-645	-1,133
	<b>36,614</b>	<b>41,942</b>
<b>Non-current liabilities</b>		
Interest-bearing loans	8,135	11,017
Leasing liabilities	9,909	8,777
Deferred grants	792	835
Contract liabilities	43,806	41,696
Provisions	305	286
Pension provisions	36	36
Deferred income taxes	6,206	5,714
Other financial liabilities	3,540	3,375
Other non-financial liabilities	968	892
	<b>73,697</b>	<b>72,629</b>
<b>Current liabilities</b>		
Trade payables	7,031	8,250
Provisions	35	10
Income tax payables	217	404
Interest-bearing loans	10,256	10,445
Lease liabilities	2,515	2,202
Deferred grants	290	361
Repayment obligations	23,651	21,837
Contract liabilities	14,832	14,786
Other financial liabilities	1,427	1,606
Other non-financial liabilities	3,796	3,475
	<b>64,048</b>	<b>63,375</b>
<b>Total equity and liabilities</b>	<b>174,360</b>	<b>177,946</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, 2021</b>	<b>4,146</b>	<b>24,012</b>	<b>341</b>	<b>-23</b>
Retrospective adjustment	0	0	-3,242	0
<b>As of January 1, 2021 (adjusted)</b>	<b>4,146</b>	<b>24,012</b>	<b>-1,452</b>	<b>-24</b>
Result for the period	0	0	-315	0
Other comprehensive income	0	0	0	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-315</b>	<b>0</b>
<b>As of June 30, 2021 (adjusted)</b>	<b>4,146</b>	<b>24,012</b>	<b>-1,767</b>	<b>-24</b>
<b>As of January 1, 2022</b>	<b>16,036</b>	<b>36,960</b>	<b>-5,120</b>	<b>-24</b>
Result for the period	0	0	-7,419	0
Other comprehensive income	0	0	906	0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-6,513</b>	<b>0</b>
Transaction with minorities	0	0	1,645	0
Reclassifications	0	-3,110	3,110	0
First-time application of IAS 29	0	0	51	0
<b>As of June 30, 2022</b>	<b>16,036</b>	<b>33,851</b>	<b>-6,827</b>	<b>-24</b>

\* Prior-year figures adjusted. The adjustments are explained in Note 2.3 of the Annual Report 2021.

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*	
-181	2	28,296	-261	-8	28,027	
0	0	-3,242	0	0	-3,242	
-181	9	26,510	-261	-18	26,231	
0	0	-315	0	3	-312	
0	2	2	0	0	2	
0	2	-313	0	3	-310	
-181	11	26,197	-261	-15	25,921	
-147	-1,819	45,888	-2,813	-1,133	41,942	
0	0	-7,419	0	-253	-7,672	
0	-999	-93	0	-15	-107	
0	-999	-7,512	0	-267	-7,779	
0	0	1,645	0	755	2,400	
0	0	0	0	0	0	
0	0	51	0	0	51	
-147	-2,818	40,072	-2,813	-645	36,614	

# Consolidated Cash Flow Statement

EUR thousand	H1 2022	H1 2021*
<b>Cash flow from operating activities</b>		
Earnings for the period before taxes	-7,555	64
Adjusted for:		
Depreciation and amortization	4,252	1,525
Gains/ losses from the disposal of non-current assets	1	0
Badwill	0	0
Other non-cash expenses/income	-324	12
Financial income	-523	-28
Financial expenses	1,213	90
Changes in working capital:		
+/- Inventories	-848	35
+/- Receivables and other assets	-1,104	-729
+/- Contract assets	-619	-325
+/- Liabilities	183	1,310
+/- Contract liabilities	4,045	665
+/- Provisions	25	-6
Interest paid	-805	-77
Income taxes paid	-129	-743
<b>Cash flow from operating activities</b>	<b>-2,189</b>	<b>1,792</b>
<b>Cash flow from investing activities</b>		
Purchase of intangible assets	-264	-16
Purchase of property, plant, and equipment	-2,271	-533
Purchase of long-term financial investments	-628	0
Proceeds from the sale of financial investments	0	99
Interest received	452	5
<b>Cash flow from investing activities</b>	<b>-2,712</b>	<b>-444</b>
<b>Cash flow from financing activities</b>		
Transaction with non-controlling interests	1,311	0
Proceeds from taking out financial loans	78	0
Payments for the repayment of financial loans	-3,342	-771
Payments for leases	-1,290	-296
Proceeds from grants received	246	0
<b>Cash flow from financing activities</b>	<b>-2,995</b>	<b>-1,067</b>
Net change in cash and cash equivalents	-7,897	280
Cash and cash equivalents at the beginning of the reporting period	33,298	10,396
<b>Cash and cash equivalents at the end of the reporting period (liquid funds)</b>	<b>25,401</b>	<b>10,676</b>

\* Prior-year figures adjusted. The adjustments are explained in Note 2.3 of the Annual Report 2021.

# Notes to the Condensed Interim Consolidated Financial Statements

## 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, 2022 were authorized for issue by the Management Board on August 30, 2022.

## 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, 2022 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, 2021.

### 2.2. ADJUSTMENT OF ACCOUNTING METHODS AND ERROR CORRECTIONS

The accounting and valuation methods applied in the preparation of the condensed interim consolidated financial statements correspond to the methods applied in the previous year with the following exceptions.

In the context of a review of error adjustments, the German Financial Reporting Enforcement Panel (FREP) has drawn the attention of Vita 34 AG to the fact that additional retrospective adjustments are necessary in the consolidated financial statements as of December 31, 2021, which go beyond the error correction already implemented in 2020.

For explanations of adjustments to accounting and valuation methods, please refer to the consolidated financial statements as of December 31, 2021.

The following tables explain the effects of the error correction on the prior-year figures:

#### Consolidated income statement

EUR thousand	January 1, 2021 – June 30, 2021		
	Before adjustment	Adjustment	After adjustment
Sales revenues	10,822	-357	10,465
<b>Gross profit on sales</b>	<b>6,372</b>	<b>-357</b>	<b>6,015</b>
<b>Operating result (EBIT)</b>	<b>483</b>	<b>-357</b>	<b>126</b>
<b>Earnings before taxes</b>	<b>421</b>	<b>-357</b>	<b>64</b>
Income tax expense	-468	92	-376
<b>Result for the period</b>	<b>-47</b>	<b>-265</b>	<b>-312</b>
Attribution of the result for the period to the			
Owners of the parent company	-49	-266	-315
Non-controlling interests			
Earnings per share, undiluted/diluted (EUR)	-0.01	-0.06	-0.07

**Consolidated statement of comprehensive income**

EUR thousand	January 1, 2021 – June 30, 2021		
	Before adjustment	Adjustment	After adjustment
<b>Result for the period</b>	<b>-47</b>	<b>-265</b>	<b>-312</b>
<b>Total comprehensive income after taxes</b>	<b>-46</b>	<b>-264</b>	<b>-310</b>
Attribution of the result for the period to the			
Owners of the parent company	-49	-266	-315
Non-controlling interests	3	0	3

**Consolidated cash flow statement**

EUR thousand	January 1, 2021 – June 30, 2021		
	Before adjustment	Adjustment	After adjustment
Result for the period before taxes	421	-356	64
Contract liabilities	308	356	665

Furthermore, various standards and amendments to standards were applied for the first time in 2022, 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 December 31, 2021. In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates" paragraph 42, the comparative amounts for the previous reporting period have not been restated.

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, 2022. The table below shows the specific factors used to apply IAS 29 for the first six months ended June 30, 2022.

Consumer price index	Tüketici fiyat endeks rakamları
Index as of June 30, 2022	977.90
Index as of December 31, 2021	686.95
<b>Adjustment factor</b>	<b>1.4235</b>

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

EUR thousand	June 30, 2022
<b>Non-current assets</b>	<b>802</b>
Goodwill	179
Intangible assets	56
Property, plant and equipment	202
Rights of use	365
<b>Current assets</b>	<b>13</b>
Inventories	13
<b>Equity</b>	<b>71</b>
Retained earnings	53
Other reserves	18
<b>Non-current liabilities</b>	<b>339</b>
Lease liabilities	339
<b>Current liabilities</b>	<b>666</b>
Lease liabilities	42
Contract liabilities	624
<b>Income statement</b>	<b>-261</b>
Sales revenues	170
Cost of sales	6
Other operating expenses	-145
Financial income	78
Financial expenses	-370

## 5. SEGMENT REPORTING

In the first half of the fiscal year 2021, the Group had only one reportable segment. The segment reporting of the subgroup Vita 34 of the previous year corresponds to the information presented in the statement of comprehensive income for the comparative half-year. The following table provides information on the results of operations of the segments:

EUR thousand	Subgroup Vita 34		Subgroup PBKM	
	H1 2022	H1 2021	H1 2022	H1 2021
Sales revenues	9,385	10,465	22,724	
Result for the period	-699	-312	-7,687	

The reconciliation of earnings before taxes of the segments and earnings before taxes of the overall Group is as follows:

EUR thousand	H1 2022
Subgroup Vita 34	-919
Subgroup PBKM	-7,350
<b>Total</b>	<b>-8,268</b>
Consolidation effects	714
<b>Earnings before taxes overall Group</b>	<b>-7,555</b>

## 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 2022	H1 2021*
Sales from processing/manufacturing	20,093	7,728
Sales from storage	9,609	2,720
Other sales	2,407	18
	<b>32,109</b>	<b>10,465</b>

\* Prior-year figures adjusted. The adjustments are explained in Note 2.3 of the Annual Report 2021.

## 7. PERSONNEL EXPENSES

Personnel expenses include expenses for severance payments to the former Chief Executive Officer Dr. Wolfgang Knirsch in the amount of EUR 288 thousand.

## 8. INCOME TAXES

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

EUR thousand	H1 2022	H1 2021*
Actual income tax expense	-1,089	-499
Deferred income tax expense	971	124
	<b>-117</b>	<b>-376</b>

\* Prior-year figures adjusted. The adjustments are explained in Note 2.3 of the Annual Report 2021.

## 9. 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	June 30, 2022	Dec. 31, 2021
<b>Financial assets</b>		
Financial assets at amortized cost		
Trade receivables	13,273	12,688
Miscellaneous financial assets	3,061	2,679
Other financial assets	113	113
	<b>16,447</b>	<b>15,480</b>
Financial assets measured at fair value through other comprehensive income (equity instruments)		
Other financial assets	291	289
	<b>291</b>	<b>289</b>
Cash	25,521	33,417
<b>Total financial assets</b>	<b>42,258</b>	<b>49,186</b>
<b>Financial liabilities</b>		
Financial liabilities at amortized cost		
Interest bearing loans	18,391	21,462
Trade payables	7,031	8,250
Put options	3,540	3,375
Other financial liabilities	927	1,106
	<b>29,889</b>	<b>34,194</b>
Financial liabilities measured at fair value through profit or loss		
Variable purchase price components	500	500
<b>Total financial liabilities</b>	<b>30,389</b>	<b>34,694</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.

## 10. CHANGES IN THE SCOPE OF CONSOLIDATION

On April 7, 2022, Polski Bank Komorek Macierzystych S.A. (Warsaw, Poland) acquired 100% of the shares in FamiCells Sàrl (Marly, Switzerland) from FamiCordon S.A. (Madrid, Spain) with the further purpose of merging it with FamiCord Suisse. The transaction results in a change within the Group structure, but has no impact on the condensed interim consolidated financial statements as of June 30, 2022.

As of May 30, 2022, the liquidation and simultaneous deletion from the commercial register of the company Stemlab Diagnostic S.R.L. (Galati, Romania) took place. Its business, assets and liabilities were previously transferred to Biogenis S.R.L. (Bucharest, Romania).

Both transactions serve to simplify the Group structure.

## 11. 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, 2022, no significant events or business transactions occurred.

## 12. EVENTS AFTER THE BALANCE SHEET DATE

Dirk Plaga was appointed as the new Chief Financial Officer effective August 1, 2022. The previous interim CFO Andreas Schafhirt continues to support the post-merger integration as a consultant. The company would like to thank him sincerely for his successful work and looks forward to continuing to work with him in his new role.

No other reportable events occurred after the reporting date of June 30, 2022.

Leipzig, August 30, 2022

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, 2022

The Management Board of Vita 34 AG



Jakub Baran  
Chief Executive  
Officer



Dirk Plaga  
Chief Financial  
Officer



Tomasz Baran  
Chief Commercial  
Officer

# FINANCIAL CALENDAR 2022

11/22/2022

Quarterly Statement (Q3)

## IMPRINT

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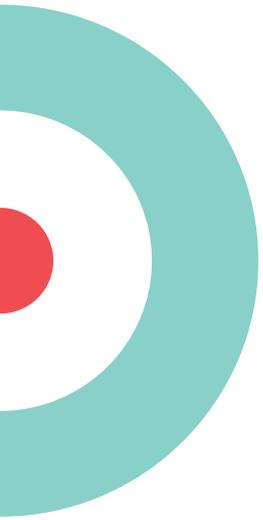
### CONCEPT & DESIGN

Silvester Group, Hamburg

### PUBLICATION

This interim report was published on August 30, 2022 in German and English and can be downloaded from our website. In case of deviations, only the German version is authoritative.

Vita 34's website: [www.vita34group.de](http://www.vita34group.de)



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