

VITA34

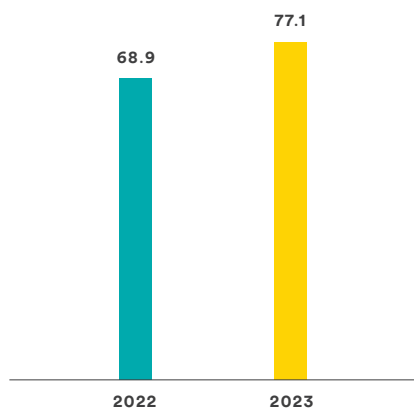
# ANNUAL REPORT 2023



# KEY FINANCIAL FIGURES

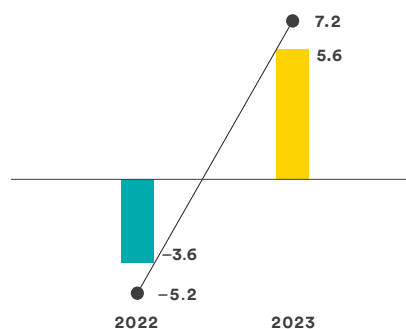
		01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
<b>Income Statement</b>			
Sales revenue	EUR thousand	77,062	68,940
Gross profit	EUR thousand	28,244	2,735
EBITDA	EUR thousand	5,569	-3,564
EBITDA margin as a percentage of sales	%	7.2	-5.2
Operating result (EBIT)	EUR thousand	-3,120	-27,283
Net result for the period	EUR thousand	-2,033	-27,384
Earnings per share	EUR	-0.12	-1.71
<b>Balance sheet</b>			
		<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
Balance sheet total	EUR thousand	158,357	151,508
Equity	EUR thousand	22,776	15,852
Equity ratio	%	14.4	10.5
Liquid funds	EUR thousand	17,416	16,290
<b>Cash flow</b>			
		<b>01/01/2023 – 12/31/2023</b>	<b>01/01/2022 – 12/31/2022</b>
Cash flow from investing activities	EUR thousand	-3,574	-5,811
Depreciation and amortization	EUR thousand	8,690	23,719
Cash flow from operating activities	EUR thousand	9,154	-4,486
<b>Employees</b>			
		<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
At the reporting date	Number	745	815

Sales revenues in EUR million



EBITDA in EUR million

EBITDA margin as a percentage of sales in %





## VITA 34 – EUROPE’S LEADING CELL BANK

Vita 34 was founded in Leipzig in 1997 and is today by far the leading cell bank in Europe and the third largest worldwide. As Europe’s first private cord blood bank and a pioneer in cell banking, the company has since offered collection logistics, processing and storage of stem cells from umbilical cord blood, umbilical cord tissue and other postnatal tissues as a full-service cryopreservation provider. Based on the expansion of the business model that took place after the merger with PBKM, the company intends to invest in the areas of Cell and Gene therapies and CDMO. The body’s own cells are a valuable starting material for medical cell therapy and are kept alive in the vapors of liquid nitrogen. Customers from around 50 countries have already ensured the health of their families with more than 1 million units of stored biological material at Vita 34.



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# LETTER FROM THE MANAGEMENT BOARD

## DEAR SHAREHOLDERS,

In 2023, we can look back on a year that proved to be challenging for the economy in general and to certain extent for Vita 34 itself. After we were largely able to put the global pandemic behind us and the effects of the war in Ukraine on the European economy were increasingly less pronounced, it was above all a massive rise in inflation and a significantly changed interest rate environment that companies worldwide had to cope with. As the leading cell bank in Europe, whose new customers primarily include expectant parents, lowering birth rates in our core markets also represent a challenge for Vita 34, to which we must adapt our company even better than before.

Despite this multitude of challenges, we succeeded in closing fiscal year 2023 on a solid footing. At EUR 77.1 million, our revenue increased by 11.8% compared to the previous year. This solid growth has been achieved primarily due to good performance in Hungary, Switzerland, Romania and Turkey as well as a stabilized situation in Poland which offset a weaker performance in Germany and the Middle East. Our new laboratory in the United Arab Emirates, which we opened in the very end of 2023, started bringing benefits very quickly though. The number of contract renewals also developed well, with a significant number of existing customers deciding to continue the storage of their biological material. In addition, the harmonization of our accounting in accordance with IFRS 15, which was implemented in the prior year, had a clearly positive effect.

At the profit level, Vita 34 took a major step forward in the past year. At EUR 5.6 million, our earnings before interest, taxes, depreciation and amortization (EBITDA) improved significantly as compared with the prior year. In purely operative terms, we even did much better. However, a series of extraordinary charges – including the one-off charges for the temporary reduction in the size of the Management Board, the costs of the capital increase, legal and consultancy costs in connection with internal investigations and in connection with the legal proceedings regarding CAR-T technology – led to extraordinary charges totaling EUR 1.5 million.

At EUR 9.2 million, operating cash flow was also significantly higher than in the previous year. In addition to consistent liquidity management, the restructuring of our credit lines also had a significant impact here. Old credit lines were repaid in full and transferred to new lines at Group level. Our cash and cash equivalents also recovered and, at EUR 17.4 million, were a good 7% up on the previous year.

Furthermore, new capital of EUR 7 million was brought into the company in 2023 as part of a capital increase involving our majority shareholder, the third-largest shareholder and the Chairman of the Management Board. The increased liquidity will be a benefit for the entire Group and strengthen working capital as well as underline our financial solidity to our lending banks.



Members of the Management Board from left to right: Tomasz Baran and Jakub Baran

Overall, we succeeded in holding our own in a persistently difficult economic environment and compensating for the effects of inflation. It is becoming increasingly apparent that the financial burden on private households resulting from the rise in inflation and the changed interest rate environment is easing. As a result, there is now more scope for private consumption. We see this as a positive sign for improved business development in the current year 2024. A further weakening of inflation, falling interest rates and real wage gains in private households should lead to a further brightening of the economic environment. In anticipation of such a development, the company has already begun to intensify its investments in marketing and sales on the most promising markets at the end of 2023. Significant effects from the measures taken are expected in the second half of the year. Our investments in newly emerging areas understandably had a negative impact on our earnings in 2023. However, we assume that we will noticeably improve our development in the CDMO area in 2024. We plan to finance our further investments in the area of Cell & Gene Therapies to a large extent from the existing liquidity in our subsidiary FamiCordTx and from a current project that has already been approved by the Agency for Medical Research (ABM) in Poland. At the same time, FamiCordTx is in regular contact with external investors in order to secure the company's capital requirements in 2025 and beyond. At the same time, FamiCordTx is in regular contact with external investors in order to secure the company's capital requirements in 2025 and beyond.

Overall, we expect a further improvement in the revenue and profit situation of Vita 34 in the current fiscal year. Accordingly, the Management Board expects revenues of between EUR 81 and 88 million with EBITDA of between EUR 6.5 and 8.0 million in 2024.

We would like to thank our employees for their great commitment in the past fiscal year, as well as our customers, business partners and investors for their continued support.

Leipzig, in April 2024

The Management Board of Vita 34 AG

Jakub Baran  
Chief Executive Officer

Tomasz Baran  
Chief Commercial Officer

# SUPERVISORY BOARD REPORT

## DEAR SHAREHOLDERS,

In the reporting year 2023, the Supervisory Board performed the duties incumbent upon it in accordance with the 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 verbal reports submitted by the Management Board, the information provided by the Management Board at Supervisory Board meetings and regular consultations 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 in order to ensure a comprehensive exchange of information between the boards. Within the Supervisory Board, the Chairman of the Supervisory Board also regularly exchanged information with members of the Supervisory Board on current company issues.

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 seven Supervisory Board meetings in the fiscal year 2023. Four of these meetings were held in person, while the other meetings of the Supervisory Board were held as video and telephone conferences. At regular intervals, the Management Board provided the Supervisory Board with comprehensive information on the economic and financial development of the company, including the risk situation, at the Supervisory Board meetings and provided additional information on request.

Dr. Ursula Schütze-Kreilkamp and Konrad Mitterski were each unable to attend two Supervisory Board meetings, while Florian Schuhbauer and Paul Owsianowski were each unable to attend one Supervisory Board meeting due to scheduling conflicts. The other members of the Supervisory Board attended all seven Supervisory Board meetings. In accordance with the recommendations of the German Corporate Governance Code, the Supervisory Board also met regularly without the Management Board.

The Supervisory Board has formed an Audit Committee and a Personnel and Remuneration Committee. The Audit Committee held five meetings in the fiscal year 2023. Three of these meetings were held in person with a video link, while the other meetings of the Audit Committee were held as video and telephone conferences. Konrad Mitterski was unable to attend one meeting of the Audit Committee due to scheduling conflicts. The Remuneration Committee held one meeting in person in the fiscal year 2023, which was attended by all members of the Remuneration Committee.

## CHANGES TO THE SUPERVISORY BOARD

There were no changes to the composition of the Supervisory Board in the reporting year 2023.

## CONFLICTS OF INTEREST

During the reporting period, the Supervisory Board was not informed by its members of any circumstances that could give rise to a significant and not merely temporary conflict of interest.



## TRAINING AND FURTHER EDUCATION MEASURES

The company offered a training course for the members of the Supervisory Board. The content of the training course was the legal constitution of stock corporations and aspects of capital market law relevant to stock corporations.

## FOCUS OF THE SUPERVISORY BOARD'S DELIBERATIONS

In addition to overarching topics, the Supervisory Board dealt with issues relating to individual areas and, where necessary, passed the necessary resolutions. The Supervisory Board meetings in the reporting year focused on the following:

- Annual and consolidated financial statements for the fiscal year 2022, declaration of conformity and dependency report
- Capital increase of Vita 34 AG from the Authorized Capital 2022
- Planning of the annual budget of Vita 34 AG for the fiscal year 2023 2023
- Financing for the Vita 34 Group and conclusion of a loan agreement with Commerzbank AG
- Determination of a target for the minimum proportion of women on the Supervisory Board and Management Board of Vita 34 AG
- Economic development of the Group in the fiscal year 2023 2023
- Investments in the development of business areas in the Middle East
- Cooperation and coordination with the auditor
- Change or retention of the company name of Vita 34 AG
- Implementation and revision of the risk management and internal control systems for the Vita 34 Group
- Management Board matters (Management Board bonus (discretionary bonus and STI), approval of the granting of power of attorney to Mr. Gernot Tölle by the Management Board of Vita 34 AG, termination of the Management Board mandate and the Management Board service contract with Dirk Plaga)
- Licensing of intellectual property by FamiCord TX
- Management of the subsidiaries of the Vita 34 Group
- Approval of the conclusion of the merger agreement between PBKM Sp. z o. o. and Cryoprofil S.A
- Proposed resolutions for the Annual General Meeting 2023, including the proposals to revoke the resolution of the Annual General Meeting of June 29, 2022 under agenda item 8 on the change of the company's name and the corresponding amendment to the Articles of Association as well as on an amendment to §§ 22 and 21 para. 1 of the Articles of Association
- Proposed resolution for the extraordinary virtual Annual General Meeting 2023
- Approval of the conclusion of a profit and loss transfer agreement between Vita 34 AG and Seracell Pharma GmbH
- Business planning of the Management Board for the fiscal year 2024 2024

## CORPORATE GOVERNANCE

The Supervisory Board dealt with the corporate governance standards practised in the company and the implementation of the recommendations and suggestions of the German Corporate Governance Code as amended on April 28, 2022. On April 26, 2024, the Management Board and Supervisory Board issued a declaration of conformity, which is published on the company's website in the "Investor Relations" section.

## 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 and the combined management report of Vita 34 AG are prepared on the basis of §§ 315, 315a HGB in conjunction with the International Financial Reporting Standards (IFRS), as applicable in the European Union. The auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (Berlin branch), audited the annual financial statements of Vita 34 AG, the consolidated financial statements and the combined management report. The audit engagement was issued in accordance with the resolution of the Annual General Meeting, the legal requirements and the requirements of the GCGC.

As a result, it should be noted that the rules of the HGB and IFRS were complied with in the preparation of the financial statements. The annual and consolidated financial statements each received unqualified auditor's reports. The financial statement documents were discussed in detail at the Supervisory Board's balance sheet meeting on April 26, 2024 in the presence of and following a report by the auditor. At this meeting, the auditor's representatives reported on the key findings 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. They also stated that there were no reasons for bias; PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft exclusively provided auditing services.

The Supervisory Board has examined the annual financial statements, the consolidated financial statements and the combined management report. As a result of our own examination, there were no objections to the annual financial statements of Vita 34 AG, the consolidated financial statements of Vita 34 AG and the combined management report, the corresponding audit reports of the auditor. Following its own examination, the Supervisory Board approved 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 at its meeting on April 30, 2024. The Supervisory Board agrees with the combined management report and, in particular, the assessment of the Company's further development.

Vita 34 AG prepared a dependency report for fiscal year 2023 in accordance with § 312 AktG. The dependency report was also audited by the auditor appointed by the Annual General Meeting (PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Berlin branch) in accordance with § 313 (1) AktG. A separate written report was submitted on the results of the audit. As there were no objections to the Management Board's report, the audit opinion was issued in accordance with § 313 (3) AktG. At the balance sheet meeting on April 26, 2024, the auditor also reported on the results of this audit and confirmed that the factual information in the dependency report is correct.

The dependency report was submitted to the Supervisory Board for review in good time before the balance sheet meeting on April 26, 2024 in accordance with § 314 AktG. The Supervisory Board examined the dependency report in detail at its meeting. The Supervisory Board determined that, based on the final result of its review, there were no objections to the declaration by the Management Board at the end of the report on relationships with affiliated companies and approved the dependency report at its meeting on April 30, 2024.

## AUDITOR'S REPORT

In accordance with our engagement, we have audited the report of the Management Board pursuant to § 312 AktG on relationships with affiliated companies pursuant to §313 AktG for the fiscal year 2023. As the final results of our audit do not give rise to any objections, we issue the following auditor's report in accordance with § 313 (3) sentence 1 AktG:

Following our dutiful audit and assessment, we confirm that

1. the actual information in the report is correct,
2. the consideration paid by the company for the legal transactions listed in the report was not unreasonably high or that disadvantages were compensated.

Berlin, April 29, 2024

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Susanne Riedel  
Certified Public Auditor

Dr. Kay Lubitzsch  
Certified Public Auditor

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

April 30, 2024  
For the Supervisory Board



Dr. Alexander Granderath  
Chairman of the Supervisory Board

# VITA 34 AG SHARES

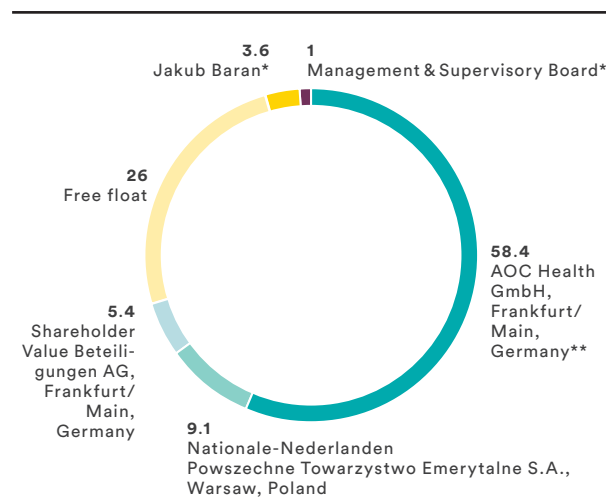
## KEY SHARE FIGURES 2023

Ticker symbol/Reuters symbol	V3V / V3VGn.DE
Securities identification number/ ISIN	A0BL84/DE000A0BL849
Initial quotation	March 27, 2007
Market segment	Prime Standard
Indices	CDAX, Prime All Share, Technology All Share, DAXsubsector Biotechnology, DAXsubsector Pharma & Healthcare
Price on 01/02/2023*	EUR 7.90
Price on 12/29/2023*	EUR 5.24
Highest/lowest price	EUR 8.20 / EUR 4.03
Number of shares	17,640,104
Freefloat on 12/29/2023	22.4%
Market capitalization on 12/29/2023	EUR 92.4 million
Designated Sponsor	Hauck Aufhäuser Lampe Privatbank AG

\* Closing prices Xetra trading system of Deutsche Borse AG

Overall, the stock market year 2023 provided equity investors with above-average returns with what can be described as a “classic” performance of the most important indices over the course of the year. Significant price gains in the first four months were followed by a sideways phase. After a new interim high in June, there was a price slide in August and September followed by a year-end rally. What was unusual about this development, however, was that parallel to the positive stock market performance, the general economic environment was noticeably impacted by the effects of persistently high inflation, the resulting change in the interest rate environment and continued high energy costs. For much of the year, the global economy was confronted with the threat of a slide into recession, which was reflected in a rather mixed performance on the stock markets. Stocks with a high market capitalization and high average stock market turnover met with keen interest from investors, while stocks with a low market capitalization

## Shareholder structure as of December 31, 2023 in %



\* The members of the Management Board hold the following numbers of shares: Jakub Baran 628.153 and Tomasz Baran 122.800.

\*\* SB member Florian Schuhbauer is a shareholder of AOC Health GmbH

and below-average stock market turnover had a much harder time finding favor with investors. This was also reflected in the performance of major share indices. The MSCI World rose by 22.3% to 3,179 points in 2023. The German DAX 40 gained 20.3% to 16,752 points. The growth of the selection index for small caps, SDAX, was slightly lower at 17.1% to 13,960 points.

The Vita 34 AG share underperformed the SDAX for most of 2023. In addition to the operational development of the company and the overall negative economic environment, a noticeable reluctance on the part of institutional investors towards companies with low market capitalization is also a reason for the comparatively poorer development. The share recorded its high for the year on a Xetra closing price basis at EUR 8.20 right at the beginning of the year on January 5. It reached its low for the year on November 23 at EUR 4.03, before closing the year at EUR 5.24. Overall, the share price fell by 33.7% in 2023.

Share price development 2023 of Vita 34 AG shares compared to the SDAX

— Vita 34 AG (XETRA) — SDAX (indexiert)



At the end of 2023, the Vita 34 AG share was analyzed by an institution (Montega) as part of equity research. Analyst Tim Kruse followed the company’s developments as part of a paid research mandate and evaluated the share on an ongoing basis. The research mandate from Warburg Research was discontinued in the course of the year after the responsible analyst Cansu Tatar left the company.

Institution	Analyst	Recommendation	Target price
Montega	Tim Kruse	Hold	EUR 4.30

Status: 12/31/2023

The Annual General Meeting of Vita 34 AG was held on September 26, 2023 in a virtual format without the physical presence of shareholders in Berlin. At the time of the vote, 60.1% (2022: 73.2%) of the company’s share capital of EUR 16,036,459.00 was represented at the meeting, significantly less than in the previous year. The resolutions included the usual annual resolutions on the appropriation of the balance sheet profit, the formal approval of the actions of the Management Board and Supervisory Board, the election of the auditor and the approval of the remuneration report. All items on the agenda were approved by a large majority.

In addition, the company held an Extraordinary General Meeting in Berlin on September 26, 2023, also in virtual format without the physical presence of shareholders. At the time of the vote, 64.1% of the company’s share capital of EUR 16,036,459.00 was represented at the meeting. The only resolution of the Annual General Meeting on the approval of the conclusion of a profit and loss transfer agreement between Vita 34 AG and Seracell Pharma GmbH was adopted almost unanimously.

On November 27, 2023, the company resolved to carry out a capital increase against cash contributions, excluding the statutory subscription rights of shareholders, making partial use of the Authorized Capital 2022. As a result, the company’s share capital was increased by 10% through the issue of 1,603,645 new no-par value registered shares. The placement price amounted to EUR 4.40 per new share and was thus EUR 0.45 above the market price of the Vita 34 share at that time. The issue proceeds from the capital increase in the amount of around EUR 7 million are to be used for operational purposes and investment activities of the company.



# COMBINED MANAGEMENT REPORT

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# COMBINED MANAGEMENT REPORT

## Preliminary remark

Vita 34 AG, Leipzig, is the parent company of the Vita 34 Group and is also referred to accordingly below. The “Vita 34 Group” (hereinafter “Vita 34” or “Vita 34 Group”) was formed effective November 8, 2021 from the merger of Vita 34 AG and its subsidiaries (hereinafter “subgroup Vita 34”) and Polski Bank Komórek Macierzystych Sp. z o.o., Poland, and its subsidiaries (hereinafter “subgroup PBKM”) and comprises the business activities of these two subgroups, divided into the two corporate segments “subgroup Vita 34” and “subgroup PBKM”. In 2022, the subgroup PBKM was thus consolidated in the Group as a whole for a full twelve months for the first time. The subgroup Vita 34 Vita 34 comprises the business activities of the direct subsidiaries of Vita 34 AG with the exception of PBKM. If the following refers exclusively to the interests of the parent company or one of the subsidiaries, this is explicitly stated.

## Fundamentals of the Company and the Group

This combined management report reports on the business development of Vita 34 AG (“the Company”), Leipzig, and the Group (“Vita 34” or “Vita 34 Group”) for the fiscal year from January 1 to December 31, 2023. The Company prepares its financial statements in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The Group prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union pursuant to § 315e HGB. The composition of the consolidated group is listed in the notes to the consolidated financial statements under Note 4 “Composition of the Group”.

### BUSINESS MODEL

**The core business** of Vita 34 AG, founded in 1997, and the Group is the collection, preparation and storage of stem cells from umbilical cord blood and tissue, as well as other postnatal tissues. Since the merger with PBKM, the company has been a leading cell bank in Europe with more than one million stem cell deposits stored by the Group. In addition, the Vita 34 Group has a comprehensive range of services and, as a result of the merger, new business areas such as the production and production and development of drugs for advanced therapies (which belong to the category of so-called cell and gene therapies) for third parties. As of December 31, 2023, the Group is internationally active with 745 employees with a focus on Europe (and a presence in the Middle East) and stores umbilical cord blood and other postnatal tissues from around 50 countries in its own facilities as well as in the facilities of partners.



**Medical potential.** The first transplantation of stem cells from umbilical cord blood took place in 1988. Since then, more than 60,000 umbilical cord bloods have been used therapeutically in patients. Worldwide, more than 800,000 umbilical cord blood units are now stored in public cord blood banks and more than six million are available in private cord blood banks<sup>1</sup>.

Today, according to Vita 34, the use of stem cells is still primarily associated with the already established treatment of diseases of the hematopoietic system and immune system, such as leukemia or lymphoma. While this is the main application of umbilical cord blood from public banks, the applications of private storages have clearly shifted to the field of regenerative medicine in recent years. Initial successes are currently being recorded in clinical studies in the treatment of cerebral palsy and autism, as shown by the publication of study results from the USA and other countries. The increasing use of stem cells in clinical practice and the inclusion of stem cells from umbilical cord blood and other postnatal tissues in medical guidelines for the treatment of cerebral palsy or autoimmune diseases, for example, can also be observed<sup>2</sup>.

Vita 34 also wants to participate in the increasing use of various cells in the treatment of diseases, and make an important contribution to this. By further expanding its business activities in the Contract Development & Manufacturing Organization (CDMO) segment, Vita 34 intends to strengthen its perception as an important partner in the field of Cell & Gene therapies. By further expanding its business activities in the Contract Development & Manufacturing Organization (CDMO) segment, Vita 34 intends to strengthen its perception as an important partner in the field of Cell & Gene therapies.

**Cooperation with maternity clinics and gynecologists.** In order to collect the youngest and most vital stem cells immediately after birth, Vita 34 works together with numerous maternity facilities in Europe, the Middle East and Hong Kong. The company regularly trains clinic personnel with regard to the professional collection of umbilical cord blood and tissue, as well as related obligations in accordance with legal requirements, in order to ensure the highest possible process quality.

**Storage and retrieval process.** After collection in one of the partner clinics, the biological material is transported as quickly as possible to one of the national or international Vita 34 laboratory locations according to documented specifications. There it is processed, tested, cryopreserved and stored on the basis of the corresponding manufacturer's licenses. The stem cells from umbilical cord blood and other postnatal tissues are thus preserved for therapeutic applications for many decades. Storage gives parents access to current and future stem cell therapy for their child and, if applicable, their family members.

**Quality assurance and innovation leadership.** Vita 34 stands for compliance with the highest industry standards. Vita 34 is able to set and maintain these standards through consistent quality assurance and a continuous improvement process. To this end, Vita 34 has the necessary certifications for the collection, processing, cryopreservation and storage of umbilical cord blood and tissue.

The Group's main areas of activity remain primarily the collection, processing, cryopreservation and storage of umbilical cord blood, umbilical cord tissue and other postnatal tissue. Other activities mentioned are expected to play a greater role in the medium to long term.

## COMPREHENSIVE PRODUCT PORTFOLIO

As a result of the merger with PBKM, the Vita 34 Group has an even broader portfolio of cell-oriented service offerings. In addition to the storage of umbilical cord blood alone, Vita 34 also offers the storage of placental blood, umbilical cord tissue or placental tissue in some countries. Umbilical cord tissue can be stored as whole tissue or in processed fragments.

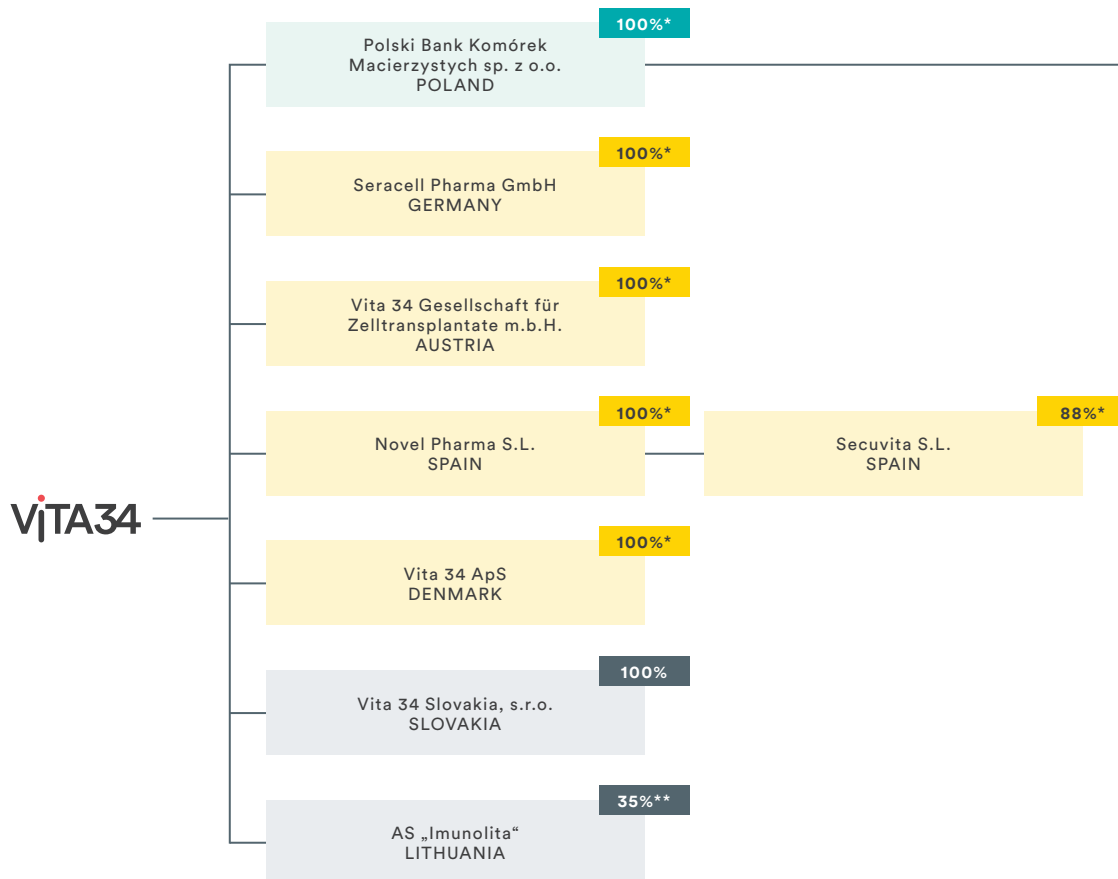
Other fields and activities include contract manufacturing for classic transplants or contract manufacturing of cell and gene therapies. In the first case, samples from bone marrow and/or mobilized peripheral blood stem cells are tested, processed and delivered to transplant clinics. In the second case, cell and gene drugs are produced either individually for individual patients or in larger batches for clinical trials.

## CORPORATE STRUCTURE AND SHAREHOLDINGS

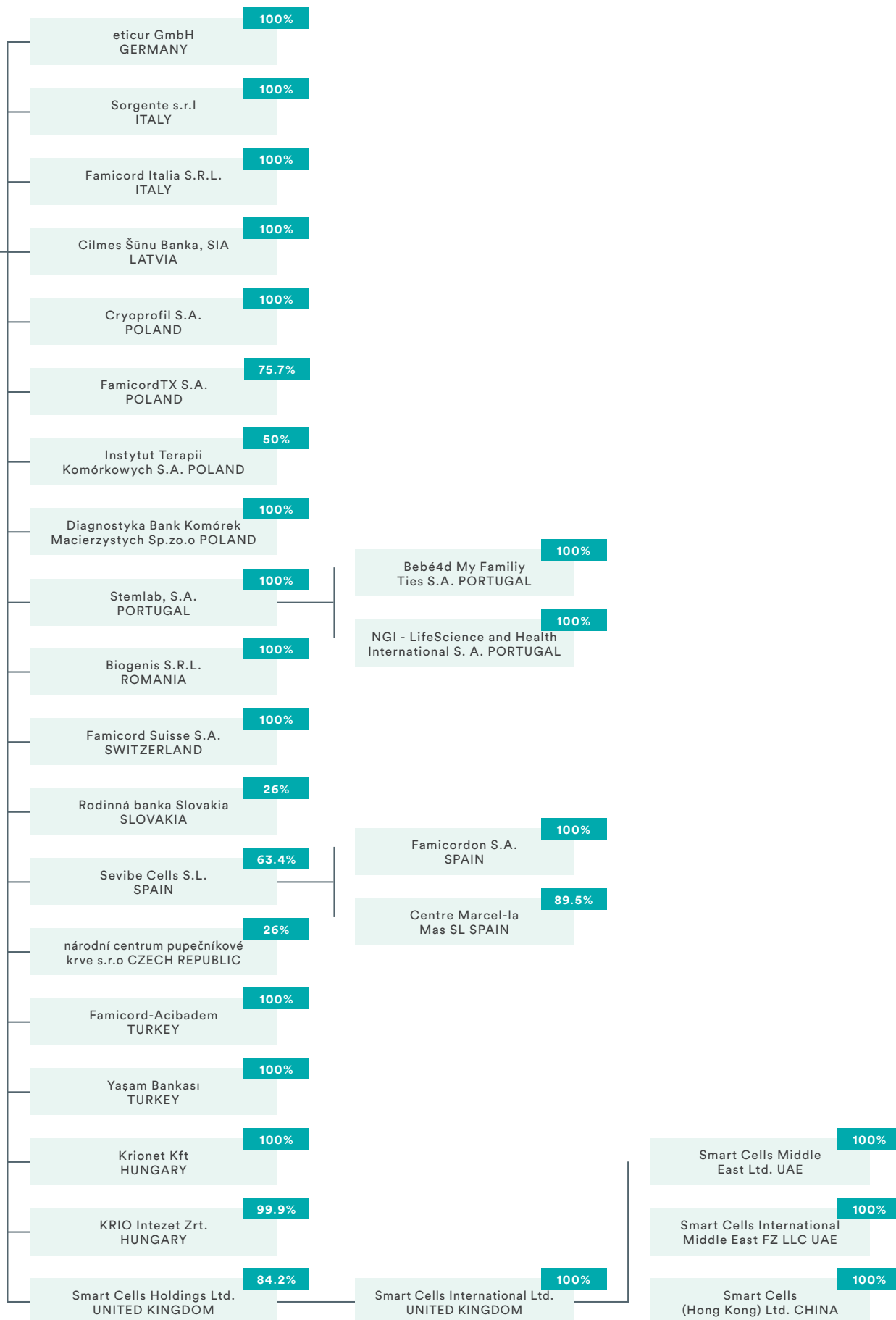
The publicly traded Vita 34 AG, Leipzig, is the parent company of the Vita 34 Group, which is active in Europe, the Middle East and Hong Kong. With the exception of the PBKM subgroup and Seracell Pharma GmbH, Rostock, the European subsidiaries and associated companies function exclusively as sales companies of Vita 34 AG, whereby the parent company assumes strategic and operative tasks for the majority of the subsidiaries.

In the reporting year, mergers and transfers were carried out to simplify the Group structure. The companies Bebé4D My Family Ties, S.A. and Medicalmedia li - Mamãs E Bebés, Unipessoal, Lda were merged with NGL-LifeScience and Health International, S.A. (formerly: Bebécord Stemlife International, S.A.). The remaining shares in the companies Famicord-Acibadem Kordon Kaniğlık Sağlık Hizmetleri A.Ş. and Sorgente s.r.l. were acquired in full.

Corporate structure and shareholdings



\* full consolidation  
\*\* incl. majority of voting rights



## VITA 34 ON THE INTERNATIONAL MARKET

Vita 34 has successfully implemented the strategy of further internationalization in recent years. The Group currently stores umbilical cord blood from around 50 countries. This is made possible by the network of its own companies and third-party business partners.

## GOALS AND STRATEGIES

Vita 34 is the pioneer of stem cell banking in Europe. In order to strengthen this position in a targeted manner, new business segments are to be developed in addition to the core business of umbilical cord blood banking.

Vita 34 wants to increase awareness of stem cell-based therapies and thus increase both the size of the market and the number of services offered. For example, the Group plans to further expand the placenta banking services to offer it in new countries where comparable offers are not yet available. At the same time, Vita 34 wants to increase its market share in selected countries. There are also several ongoing campaigns to win over as many customers as possible whose prepayment contracts are expiring for longer storage of the samples. In addition, the business will be expanded into new adjacent areas, including the manufacture of biological agents such as viral vectors for both proprietary cell and gene therapies (including CAR-T) and for third-party contract manufacturing and development organizations (CDMOs). This will expand Vita 34's current offering to include what it considers to be very rapidly growing attractive business segments, and the necessary investments would only have to be made once.

### EXPANSION OF THE CORE BUSINESS

Vita 34 relies on a combination of organic and inorganic growth within the scope of its corporate strategy. Following the merger with PBKM, Vita 34 has been able to increase its market coverage in Europe. The company is represented in all economically attractive markets from the perspective of Vita 34, primarily in Central and Southern Europe. Exceptions to this are markets such as France and Belgium, in which special circumstances or legal restrictions speak against market entry. The UK is also a particularly interesting, albeit highly competitive, market. In the medium term, the aim is to complete the further consolidation of the European market by 2026 and achieve market leadership in the vast majority of countries in which the company operates. Its extremely strong position in the core European markets it already serves will prove to be a decisive success factor. In addition, the Group aims to develop further markets outside Europe.

Organic growth will be driven primarily by new business from the storage of umbilical cord blood and umbilical cord tissue. The storage of placental tissue is also expected to make a gradual contribution. In the coming years, significantly more sales are also expected from prepayment contracts that were concluded 5, 10, 18, 20 or 25 years ago and are likely to be extended by customers.

### INORGANIC GROWTH

An additional focus of the Vita 34 growth strategy is traditionally on vertical (development of new markets) and horizontal (conclusion of additional cooperative ventures) acquisitions in Europe, which are intended to strategically strengthen the market position according to clearly defined parameters and develop additional synergies, particularly in the areas of marketing and sales, as well as production and administration. The vertical strategy for portfolio expansion involves opportunistic acquisitions along the value chain or of companies with complementary product ranges. Horizontal market expansion focuses on the selective development of certain European markets.

Vita 34 has already successfully acquired and integrated a whole series of companies since 2010. In fiscal year 2021, the merger with PBKM was another very significant step in the Company's history. From this position of strength, Vita 34 is decisively shaping the further consolidation of the European market and is on the verge of continuing its growth outside of Europe as well.

### ONGOING COST EFFICIENCY

Projects to optimize Group-wide processes were already implemented in the reporting year. The focus here was on the markets in Spain and Switzerland. Specific measures were taken here to ensure the best possible coordination of logistics, administration and laboratory and storage capacities, from which efficiency gains can be derived in the long term. Synergies were also achieved in the areas of sales, marketing and customer service. For example, the marketing activities of a subsidiary were bundled centrally in Germany, which led to savings in personnel and material expenses. Moreover, optimized resource management in the entire Group strengthens the negotiating position of Vita 34 vis-à-vis suppliers. This has reduced the dependence on external service providers, and lower purchase prices have been negotiated. The goal of the Management Board is to continue to advance the orientation of the Group-wide organizational and process structure towards cost efficiency.

## MANAGEMENT SYSTEM AND PERFORMANCE INDICATORS

The key financial indicators revenue and EBITDA (= earnings before interest, taxes, depreciation and amortization) are the central control parameters of Vita 34 AG and the Vita 34 Group. The development of the control parameters with regard to defined target values is constantly monitored internally, as well as reported on a quarterly, semiannual and annual basis. The key figures for financial corporate management of the Group are as follows:

### REVENUE

Revenue represents the equivalent value of operating activities. Remuneration received for storage services to be provided over several periods is distributed over the period in which the corresponding storage is provided.

### EBITDA

EBITDA is the key performance indicator of Vita 34 and serves as an important measure of the Group's cash flow strength and operating profitability.

The precise development of these performance indicators and other important key figures is explained in the chapters "Sales and results of operations", "Financial position" and "Net assets".

## NON-FINANCIAL PERFORMANCE INDICATOR: NUMBER OF STORAGES

The market acceptance of the products and services of Vita 34 is evaluated via the development of the number of storages (deposits), and in particular the effect of the marketing and sales activities is measured.

## RESEARCH AND DEVELOPMENT

Vita 34 views research and development as a growth driver for the Company's further development. On the other hand, investments in this area should only be made in view of the weak market sentiment, if there is a clear business justification for doing so. Therefore, these activities are selected carefully. This includes knowledge of the state of the art and the latest developments in the field of therapies as well as a careful analysis of the respective target market in order to define the economic potential of new products. In all R&D activities, partners and projects with an economically viable scope are selected in a targeted manner, based on market trends and with an adequate risk profile. In the short term, the main focus is on expanding the current core business – the introduction of placental tissue banking.

In the fiscal year 2023, research and development expenses amounted to EUR 4.3 million (2022: EUR 3.4 million), which corresponds to 5.7% (2022: 5.0%) of sales. As of December 31, 2023, Vita 34 employed a total of 11 (2022: 37) employees in the Research & Development segment. Activities in the reporting year were primarily limited to the CAR-T segment. These are bundled in the company FamiCordTx, which has 16 employees dedicated exclusively to this topic.

## EMPLOYEES AND QUALIFICATIONS

Vita 34 has an international team of qualified employees. They are the foundation for long-term positive development, as well as for the successful acquisition and integration of new companies. Vita 34 promotes cross-team cooperation and joint ventures.

As of December 31, 2023, Vita 34 had a total of 745 employees (2022: 815 employees).

### Employee structure Vita 34 as of December 31, 2023

Number	2023	2022
<b>Total employees*</b>	<b>745</b>	<b>815</b>
thereof Management Board	3	3
thereof employees in management positions	156	172

\* based on headcount excluding temporary staff and trainees, part-time employees and employees on parental leave

The staff of Vita 34 is characterized by a high percentage of women of around 78%. 65% of employees in management positions are female. Offers for the compatibility of family and career are accepted by the employees. In addition to part-time employment, these include the flexible distribution of shift work, individual parental leave, additional cash benefits for childcare in daycare centers and kindergartens, as well as flexible working hours. The preventative measures offered to employees as part of health management, the range of foreign languages on offer and group life insurance also met with great interest in the reporting year.

## Economic report

### MACROECONOMIC ENVIRONMENT AND SECTOR-SPECIFIC CONDITIONS

#### MACROECONOMIC ENVIRONMENT

According to the Kiel Institute for the World Economy (IfW)<sup>3</sup>, global economic growth stabilized at the previous year's level of 3.1% in 2023 and even developed slightly better than many experts had expected. However, there were still no signs of an economic upturn in 2023. However, in view of the inflation shock in 2022 and the subsequent sharp monetary policy response, the much feared pronounced slowdown in global economic activity did not materialize. Inflation fell quite rapidly over the course of 2023. Inflationary pressure had eased significantly worldwide. The main reason for the decline was initially the easing on the energy markets, which meant that the contribution from energy became noticeably smaller and is now even having a relieving effect. However, the core rate of inflation (consumer prices excluding energy and food) also fell quite significantly over the course of the year. In the eurozone, for example, it fell from 4.2% to 3.6% in November. The general high level of uncertainty, particularly as a result of Russia's war against Ukraine and global geopolitical developments, continued to have a strong economic impact.

The eurozone economy was characterized by stagnation in 2023. This phase of economic weakness is not expected to be overcome until 2024. The strong recovery in the wake of the pandemic could not be continued in 2023. After the sharp rise in the cost of living put the brakes on private consumption, financing conditions became less favorable in the wake of the rapid tightening of monetary policy and the external economic environment also offered little support, the economic upswing slowed in 2023.

According to the Federal Ministry for Economic Affairs and Climate Protection<sup>4</sup>, Germany's gross domestic product fell by 0.3% in 2023. This development was largely expected. In particular, private consumption fell by 0.8% in 2023 on a price-adjusted basis due to the lingering loss of purchasing power and consumer restraint, also in the wake of increased uncertainty as a result of geopolitical conflicts. It was therefore still slightly below the level of the pre-coronavirus year 2019. The development of private households' disposable income was also positive, increasing noticeably by 5.9% in 2023.

In addition to noticeable wage increases, income growth was also supported by government relief measures to mitigate the loss of purchasing power due to inflation, such as the energy price brakes, the possibility of tax-free inflation compensation premiums and increases in social benefits (housing benefit, citizens' allowance, child benefit). These measures benefited the lower income groups in particular.

The purchasing power of the population is an important factor in the decision to store umbilical cord blood and tissue. For 2023, the Gesellschaft für Konsumforschung (GfK) has calculated nominal growth of 5.8% across Europe compared to the previous year.<sup>5</sup>

#### INDUSTRY-RELATED FRAMEWORK CONDITIONS

The usual fluctuations in annual birth rates tend to play a subordinate role here, as there is still enormous potential for increasing the proportion of children being stored within this population. However, in Germany and some other European countries, birth rates in 2022 and 2023 fell so sharply within a short period of time – in Germany, for example, from 1.57 children per woman in 2021 to 1.36 in the first eleven months of 2023<sup>6</sup> – that this must be classified as a special factor that has at least a temporary negative impact and thus overshadowed the fundamentally positive sentiment thanks to a possible increase in storage rates. Experts see one explanation for the relatively abrupt drop in birth rates in the current phase of multiple crises, in which many people are not realizing their desire to have children.<sup>7</sup>

The estimated storage rate of umbilical cord blood in private cord blood banks (number of stored cord blood samples in relation to the number of annual births) is relatively low in Europe, especially in Germany. In comparison, the storage rate in the countries of Eastern and Southern Europe is higher. In the past, a positive correlation between targeted marketing activities and sales revenue has also been observed. In attractive markets, a focus on a targeted approach to potential customers by specialists with long-term ties to Vita 34 will therefore exploit this market potential.

## BUSINESS PERFORMANCE

As in the previous year, the business development of the Vita 34 Group in 2023 was strongly influenced by special effects and fell short of expectations overall. In particular, the ongoing Russia-Ukraine war caused great uncertainty among consumers in almost all markets served by the Vita 34 Group. This was especially noticeable in the countries directly bordering the crisis region. For the generation of expectant parents, this armed conflict in the middle of Europe was a completely new negative experience. In combination with inflation, which is directly noticeable for every consumer, a sharp rise in energy prices, higher interest rates and fears of recession, this potentially leads to expectant parents being reluctant to spend more. In addition, there was a significantly lower birth rate in 2023, for example in Germany, Vita 34's second home market, which was more volatile than usual. Here, the number of newborns fell by 7.5% in the period from January to November compared to the same period of the previous year, after a decline of 7.1% was already recorded in 2022 as a whole compared to 2021.<sup>8</sup>

The Group-wide integration efforts following the merger of Vita 34 and PBKM continue to be driven forward. In addition, there is a strong focus on achieving growth synergies. In addition to some cost-cutting and cost-shifting measures, it is a conscious strategic decision to maintain marketing activities and staffing levels in selected country markets at a high level. In Germany in particular, various sales efforts were initiated in 2023 to establish the topics of reach and sustainably increase awareness of stem cell care: In addition to expanding the sales force to address gynecologists and opinion leaders in a more targeted and regular manner, new positions were also created to deal decidedly with growth strategies and targeted customer outreach.

The wide range of different payment methods will continue to be tailored to customers' individual preferences. The focus here is on the options of prepayment for processing and storage over a defined period and the offer of annual payment contracts with annual invoicing. In particular, the aim is to reduce entry barriers and make optimum use of market potential.

The new activities in the areas of cell and gene therapies (incl. CAR-T) and CDMO will continue to be pursued with vigor. The Group participated in several biotech partnership conferences in 2023, so that the pipeline of potential partnerships will be further expanded. Vita 34 is also on schedule here.

## STORAGE FIGURES AND CUMULATIVE STORAGE STOCK

In the environment described above, Vita 34 was confronted with significant challenges in business development. In total, the number of total storages increased to around 1.0 million in 2023. The cumulative storage inventory of stem cell preparations (excluding the inventory of the insolvent Cryo-Save AG) developed as follows:

### Accumulated storage stock

Figures in thousand	2019	2020	2021	2022	2023
Total	237*	247*	886**	931	1,006***

\* excluding stock of the subgroup PBKM

\*\* Value corrected from 858 thousand euros

\*\*\* including corrections of 5 thousand due to the harmonization of counting methods within the Group

## BUSINESS DEVELOPMENT IN THE REGIONS

As in the previous year, development in the individual national markets was very uneven in 2023 in some cases. These fluctuations were evident when comparing the individual country markets with each other, but also in the fluctuations over the course of the year. For example, there was a noticeable recovery in demand in some countries in the third quarter, but this could not be confirmed in several countries in the fourth quarter. Numerous national markets, above all Germany, suffered from an unusual decline in the number of births. In contrast, the Hungarian market, for example, developed particularly positively. In several countries Vita 34 successfully pushed the annual payer pricing model. This lowers the entry barrier for customers, which is especially important in the current economic environment. In addition, Vita 34 is striving for an increase in market share in the United Kingdom with an attractive pricing policy. The development was hardly affected by the successful implementation of the integration measures in Spain, Switzerland and Germany, where the organizational and legal mergers of the subsidiaries were completed. In addition, cost-cutting measures were implemented at personnel level, particularly in Poland, Portugal and Spain.

## COMPARISON OF ACTUAL RESULTS WITH THE FORECAST 2023

The figures forecast in the report on expected developments in the consolidated financial statements as of December 31, 2022 were consistently confirmed at sales level (forecast range 2023: EUR 75 to 82 million) and ultimately achieved at EUR 77.1 million. However, the earnings forecast had to be adjusted in January 2024 in the course of preparing the annual financial statements and on the basis of preliminary Group figures. Specifically, on January 31, 2024, the Management Board reduced the forecast based on preliminary earnings before interest, taxes, depreciation and amortization (EBITDA) from EUR 5.5 million to EUR 7.0 million to EUR 4.0 million. The original forecast for 2023 communicated in the previous

year's management report was nevertheless achieved. The original forecast for 2023 communicated in the previous year's management report was nevertheless achieved. While the development of the purely operating result was still in line with expectations overall, a series of special charges, which the company had already reported on in publications, led to a shortfall in the earnings corridor. These primarily included one-off charges for the reduction in the size of the Management Board, the costs of the capital increase, consultancy costs in connection with internal investigations at a subsidiary and in connection with the legal dispute against the licensor of CAR-T technology. In total, extraordinary expenses from the aforementioned items amounted to EUR 1.5 million. With Group EBITDA of EUR 5.6 million, the adjusted forecast was confirmed or even exceeded.

## SALES AND EARNINGS POSITION OF THE GROUP (IFRS)

In 2023, the Vita 34 Group was able to generate revenues of EUR 77.1 million. This represents growth of 11.8% compared to the prior-year period, in which EUR 68.9 million was generated. In total, cell banking accounts for around 93.3% of Group revenues. Recurring revenues from the storage of cell material amounted to a total of EUR 21.4 million in 2023 after EUR 18.4 million in 2022. The revenue growth of EUR 8.1 million in absolute terms is largely attributable to the positive revenue effects from the change in storage contracts in the subgroup PBKM. These stipulate that Vita 34 can show a higher proportion of revenues as realized in the year the contract is concluded in the case of annual payer contracts.

Figures in EUR thousand	2023	2022
Sales revenue	77,062	68,940
Cost of sales	-48,818	-66,205
<b>Gross result</b>	<b>28,244</b>	<b>2,735</b>
Marketing and distribution costs	-10,575	-10,486
Administrative costs	-20,353	-19,877
Other income less expenses	-436	345
<b>Operating result/EBIT</b>	<b>-3,120</b>	<b>-27,283</b>
Financial result	-1,222	-1,010
Income tax income	2,310	908
<b>Profit for the period</b>	<b>-2,033</b>	<b>-27,384</b>
<b>Operating result/EBIT</b>	<b>-3,120</b>	<b>-27,283</b>
Depreciation for the period	-8,689	-23,719
<b>EBITDA</b>	<b>5,569</b>	<b>-3,564</b>



The cost of sales decreased from EUR 66.2 million to EUR 48.8 million while sales grew by 11.8%. In the previous year, amortization of goodwill in the amount of EUR 13.8 million and amortization of licenses in the amount of EUR 1.2 million had an increasing effect on the cost of sales. In addition, the first positive cost effects were noticeable due to the scheduled implementation of integration measures and the associated savings. For example, some production processes at the plant in Warsaw were consolidated. The cost of sales ratio is also characterized by opposing effects. For example, lower storage figures led to lower cost of sales, but the decline in sales revenue was offset by price increases. Furthermore, sales were also positively influenced by contract adjustments, which in turn were not offset by direct cost of sales. Overall, the cost of sales ratios in both subgroups were improved or slightly aligned. For various reasons, the subgroup PBKM traditionally has a higher cost of sales ratio, while the German business traditionally has a higher margin. The gross profit amounted to EUR 28.2 million (2022: EUR 2.7 million), which is equivalent to a gross margin of 36.6% (2022: 4.0%).

Other income fell from EUR 2.8 million to EUR 1.7 million. This figure included higher government grants in 2022, which mainly consisted of grants for research and development and have a larger consolidated scope as a result of the expanded R&D projects in the Group as a whole. Other operating expenses fell by EUR 0.3 million compared to the previous year to EUR 2.1 million. Lower receivables and currency losses had a positive effect here.

On the expense side, marketing and sales costs increased slightly from EUR 10.5 million to EUR 10.6 million. Vita 34 consciously continued its own marketing and sales activities in selected country markets, while in other country markets such as Poland, Portugal and Spain expenses were adjusted to the market environment. The sales structure was also strengthened in a targeted manner. The overall disproportionately low increase in marketing and sales costs compared to sales growth was also boosted by the overall lower marketing and sales cost ratio at PBKM. The ratio of marketing and selling expenses to sales was therefore 13.7% (2022: 15.2%). In the reporting year, the focus was particularly on maintaining a high level of contact with and product-specific information for gynecologists and midwives as key multipliers in the sales process. In addition, online marketing of the products to the target group of expectant parents continued at a high level.

As a result of the continued high level of cost discipline, administrative expenses increased at a slower rate than sales from EUR 19.9 million to EUR 20.4 million.

EBITDA rose significantly from EUR -3.6 million to EUR 5.6 million, which means that the company returned to operating profitability at this level. This development is primarily due to sales growth and cost discipline.

Accordingly, the operating result (EBIT) also improved significantly from EUR -27.3 million to EUR -3.1 million in the past fiscal year. At EUR -1.2 million, the financial result was at the previous year's level after EUR -1.0 million. The increase was due to the higher utilization of interest-bearing liabilities.

In the fiscal year 2023, after netting actual and deferred income taxes, income tax income amounted to EUR 2.3 million. Income tax income in the previous year amounted to EUR 0.9 million. The result for the period after taxes in 2023 improved from EUR -27.3 million to EUR -2.0 million. Earnings per share, taking into account minority interests, amounted to EUR -0.12 for 15,832,428 shares (2022: EUR -1.71 for 15,828,117 shares).

## SEGMENT REPORT

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

### SUBGROUP VITA 34 SEGMENT

Sales fell by 1.5% from EUR 18.6 million to EUR 18.3 million in 2023. This decline is equally attributable to the core DACH market and the international markets. The number of storages suffered from the unusually weak birth figures in 2023, particularly in Germany, and fell to 3,528 in the reporting year (previous year: 4,765). It was not possible to exceed the low level recorded in the fourth quarter of 2022. The price increases implemented in the first quarter of 2023 were partially reversed due to the negative correlation with order figures in the current market environment and replaced with more target group-oriented contract models. Given the declared aim of leveraging potential in storage rates, a high level of marketing and sales is essential. Marketing expenses in the subgroup Vita 34 therefore increased by 8.4%. Administrative expenses also rose, by 10.9% compared to 2022, due in particular to higher costs for the Group functions that are performed in the subgroup Vita 34 for the entire Group. One-off costs for the departure of a member of the Management Board in 2023 and the costs for the capital increase carried out in the fourth quarter had an impact here. The costs for preparing the consolidated financial statements also increased.

The EBITDA of the subgroup Vita 34 totaled EUR -2.0 million in 2023 (previous year: EUR 0.1 million). Investments in the subgroup Vita 34 amounted to EUR 2.0 million after EUR 1.3 million in the previous year and were mainly made in laboratory equipment as well as cryotanks and accessories. The operating cash flow was brought back into positive territory in 2023 from EUR -2.6 million to EUR 0.9 million, but still has significant scope for improvement.

**SUBGROUP PBKM SEGMENT**

Sales in the subgroup PBKM segment amounted to EUR 59.8 million in 2023, which corresponds to a significant increase of 18.1% compared to 2022. The number of new deposits was down 4,149 year-on-year at 26,470. Most of the sales growth was generated in the core cell banking business and in an extremely challenging market environment. In the same period of the previous year, sales amounted to EUR 50.6 million. CDMO activities accounted for around EUR 0.6 million of revenue in 2023. The development in the Polish market had a particularly negative impact here. EBITDA improved considerably in the subgroup PBKM and amounted to EUR 7.5 million after EUR –3.7 million in the previous year. The increase in revenue, which resulted from adjustments to contractual terms, was not offset by any variable expenses. In addition, positive cost effects were realized in the subgroup PBKM as a result of the integration projects described above in the Group as a whole. The previous year's result was also negatively impacted by high start-up costs of EUR 2.9 million for the new business divisions.

The subgroup PBKM has implemented extensive restructuring measures over the past two years in response to the difficult sales trend in some national markets. Fixed costs were reduced, the workforce was cut, and marketing expenditure was also scaled back. At the same time, significant sales growth was generated in some national markets, such as Hungary. Investments in the reporting period amounted to EUR 2.5 million after EUR 6.0 million in the previous year and were mainly attributable to the expansion of the laboratories in Poland for the new areas of cell and gene therapies (incl. CAR-T) and CDMO.

**FINANCIAL POSITION OF THE GROUP**

Financial management is directly assigned to the Management Board, and focuses on the management of the capital structure, liquidity management, interest rate and exchange rate hedging, as well as the procurement of funds. The subsidiaries of the subgroup Vita 34 are integrated into the Group liquidity management. A standardized liquidity and financial management system is being implemented for the entire Group.

Vita 34 AG carried out a cash capital increase in December 2023 and issued 1.6 million new shares at an issue price of EUR 4.40 per share. This measure strengthened the Group's equity ratio. The intention is to use the issue proceeds of around EUR 7.1 million for operational purposes and to finance further investments. The positive effects of the capital increase are reflected in both the Group's cash and cash equivalents and equity as of the balance sheet date.

Within the Vita 34 Group, liquidity for the financing requirements of growth and the investments made is mainly secured in the two subgroups through internally generated cash flows and bank loans. There were no significant adjustments to the credit terms in 2023. There is an earmarked investment credit line of EUR 8.0 million, of which EUR 5.0 million has not been utilized. In addition, the company has an overdraft facility of EUR 10 million, of which EUR 6.5 million was unused as of the balance sheet date of December 31, 2023. The previous credit lines that existed in parallel in both subgroups were repaid in full in the reporting year. Part of the newly granted credit line at the level of Vita 34 AG serves in particular to finance further investments. Over the term of this loan agreement until 2027, the loan conditions provide for a maximum net debt to EBITDA ratio of 3.0. According to the agreement, the net debt (liabilities less cash and cash equivalents) existing on the reporting date may not exceed three times the EBITDA of the previous twelve months.

Cash flow from operating activities improved significantly to EUR 9.2 million in the reporting year (previous year: EUR –4.5 million). Key factors were the significantly improved earnings performance and the fact that inventories returned to normal compared to the pandemic and the period of severely strained supply chains, thereby optimizing working capital. Depreciation and amortization were kept stable as planned. Continued capital expenditure on research and development and the new business areas had a dampening

effect on operating cash flow. The number of contract renewals continues to rise, which leads to an increase in sales per contract and recurring sales and therefore to higher cash flows in the future. In addition, the annual payer pricing model was further promoted in several countries. This lowers the barrier to entry for customers, which is important in the current economic environment, but leads to lower cash flows in the short term. This effect will be reversed over future periods, resulting in higher cash flows overall. While the price effects on sales implemented in both directions depending on the country market also had a direct impact on operating cash flow, the positive effects on sales from the recognition of subscription contracts in accordance with IFRS 15 are not cash-effective.

Cash flow from investing activities amounted to EUR –3.6 million in the past fiscal year (2022: EUR –5.8 million). Investment activities in 2023 were characterized by ongoing capacity expansions due to the increasing number of storages and the expansion of the laboratories in Poland for the areas of gene and cell therapies (incl. CAR-T) and CDMO. A laboratory was built in Dubai, and additional funds were used for the purchase of laboratory equipment and cryo-tanks. The Vita 34 Group continues to invest primarily in the area of maintenance investments.

Cash flow from financing activities amounted to EUR –5.1 million in the fiscal year 2023 (previous year: EUR –6.3 million) and is primarily made up of scheduled repayments (EUR 21.4 million) and lease payments (EUR 3.0 million). These factors are offset by cash inflows of EUR 20.6 million resulting from the raising of new financial loans (EUR 13.6 million) and the capital increase carried out in December 2023 (EUR 7.0 million). In connection with put options on outstanding shares in an investment, there may be short-term effects on the financial position of Vita 34. In connection with put options on outstanding shares in an investment, there may be short-term effects on the financial position of Vita 34.

In the reporting year, cash and cash equivalents thus increased by EUR 1.1 million to EUR 17.4 million. Cash inflows from operating activities exceeded cash outflows from investing and financing activities accordingly – while at the same time significantly reducing debt as planned. In addition to the significant trend reversal in operating cash flow, long-term follow-up financing tailored to the Group as a whole was also implemented in 2023. The Management Board continues to assume that it will be able to maintain its ability to act at all times through cash inflows from operating activities, but has the option of countering potential liquidity risks with alternative means of internal financing. In this context, please refer to the “Liquidity risks” subsection in the risk report.

## FINANCIAL POSITION OF THE GROUP

Assets	31.12.2023	31.12.2022
EUR thousand		
Non-current assets	115,998	110,443
thereof goodwill	38,106	39,491
Current assets	42,358	41,065
thereof cash and cash equivalents	17,416	16,290
Liabilities	31.12.2023	31.12.2022
EUR thousand		
Equity	22,776	15,852
Non-current liabilities	79,401	67,129
thereof contract liabilities	59,420	45,892
Current liabilities	56,180	68,527
thereof contract liabilities	7,208	13,853
of which potential repayment obligations	25,354	24,470

Total assets amounted to EUR 158.4 million as of December 31, 2023 (December 31, 2022: EUR 151.5 million). On the assets side of the balance sheet, non-current assets including goodwill amounted to EUR 116.0 million as of 31 December 2023 after EUR 110.4 million at the end of 2022. Amortization of goodwill in the amount of EUR 1.3 million and slightly lower intangible assets (EUR 17.3 million after EUR 18.6 million), which resulted from scheduled amortization of customer contracts acquired in the past, were offset by higher property, plant and equipment, deferred tax assets and contract assets. Property, plant and equipment increased by 3.5% to EUR 25.3 million due to the investments made. Deferred tax assets increased from EUR 9.6 million to EUR 10.4 million as a result of a corresponding development in losses carried forward by Group companies. Non-current contract assets increased from EUR 3.1 million to EUR 9.0 million and include the higher receivables from annual payer contracts with a multi-year contract term. The receivables are due for payment within ten years. Current contract assets, which include receivables from annual payer contracts due for payment within one year, rose at a slower rate from EUR 2.7 million to EUR 4.0 million.

Current assets increased slightly from EUR 41.1 million to EUR 42.4 million as of the reporting date of December 31, 2023. This was due in particular to the development in cash and cash equivalents, which rose from EUR 16.3 million to EUR 17.4 million. The decrease in inventories from EUR 3.9 million to EUR 3.4 million is due to stockpiling adjusted to the quality of the supply chains and availability of goods as well as a normalization of inflation effects. Receivables remained almost stable at EUR 12.9 million (December 31, 2022: EUR 12.8 million).

On the equity and liabilities side of the balance sheet, equity increased to EUR 22.8 million as of the balance sheet date of 31 December 2023 (31 December 2022: EUR 15.9 million), in particular due to the significant stabilization of earnings performance and a cash capital increase carried out in December 2023. The notional equity ratio increased to 14.4% as of December 31, 2023, compared to 10.5% on December 31, 2022. As a result, the equity ratio also grew significantly with an overall increase in total assets. As part of the cash capital increase, the company's share capital was increased from EUR 16,036,459.00 by issuing 1,603,645 new no-par value registered shares. All new shares were acquired by anchor shareholders as part of a private placement. The placement price was EUR 4.40 per new share, and thus EUR 0.45 above the market price of Vita 34 shares at the time. The cash inflow from the capital increase in the amount of around EUR 7 million was primarily allocated to the capital reserve.

Non-current and current contract liabilities and potential repayment obligations, which account for 67.8% of liabilities and result from the special structure of the storage contracts at PBKM with termination options and the corresponding recognition of revenue and obligations on an accrual basis, are the main reasons for the continued high proportion of liabilities. As of the reporting date of December 31, 2023, there were significant shifts within these items due to new contractual terms for annual payers and the associated change in accounting in accordance with IFRS 15, without noticeably changing the overall significance within borrowed capital. However, the potential short-term repayment obligations were largely allocated to non-current contract liabilities. In this respect, the maturity profile in debt capital has shifted significantly – even if these short-term repayment obligations were already of a purely theoretical nature in the past.

Non-current liabilities increased from EUR 67.1 million to EUR 79.4 million as of December 31, 2023. This was mainly due to the aforementioned sharp rise in non-current contract liabilities and an increase in liabilities to banks from EUR 1.7 million to EUR 3.4 million as the balance of new loan commitments, scheduled repayments and transfers due to the maturity profile. Current liabilities fell from EUR 68.5 million to EUR 56.2 million, mainly due to the repayment of bank loans. Important items within current liabilities continue to be contract liabilities, which fell from EUR 13.9 million to EUR 7.2 million, and potential repayment obligations, which fell slightly from EUR 24.5 million to EUR 25.4 million. They include obligations arising from acquisitions to fulfill storage contracts concluded as well as storage fees received in advance from customers, which would have to be repaid in the event of the (unlikely) exercise of existing termination rights, primarily at PBKM level. Nevertheless, this item is still significant for the Group as a whole, with no negative cash flows expected in the subsequent period. The storage fees received in advance are gradually recognized as income over the term.

## EARNINGS, FINANCIAL AND ASSET SITUATION OF VITA 34 AG (HGB)

The annual financial statements of Vita 34 AG were prepared in accordance with the accounting regulations for corporations, taking into account the German Stock Corporation Act and the German Commercial Code (HGB).

At EUR 11.7 million, sales in the fiscal year 2023 were below the previous year's level of EUR 12.4 million. This was primarily due to weaker demand overall, including on the German market. The cost of sales rose from EUR 5.5 million to EUR 5.8 million due to a partial increase in procurement costs. This results in a gross profit on sales of EUR 5.9 million compared to EUR 6.9 million in the fiscal year 2022. This corresponds to a gross margin of 50.9% (2022: 55.7%). In the previous year's management report, sales revenue in the range of EUR 14 to 17 million was forecast for 2023. The deviation from the actual sales revenue for the fiscal year is primarily due to storage figures falling short of expectations.

EUR thousand	2023	2022
Sales revenue	11,769	12,383
Cost of sales	-5,828	-5,484
<b>Gross result</b>	<b>5,941</b>	<b>6,899</b>
Distribution costs	-4,769	-3,968
Administrative costs	-8,299	-6,610
Other operating income less expenses	1,118	-321
<b>Operating result/EBIT</b>	<b>-6,010</b>	<b>-4,000</b>
Financial result	2,516	-89,181
Income tax income/expense	86	220
<b>Net loss for the year</b>	<b>-3,408</b>	<b>-92,961</b>
Operating result/EBIT	-6,010	-4,000
Depreciation for the period	645	469
<b>EBITDA</b>	<b>-5,365</b>	<b>-3,531</b>

Selling expenses increased from EUR 4.0 million to EUR 4.8 million due to marketing measures. Administrative expenses increased from EUR 6.6 million to EUR 8.3 million despite the continued high level of cost discipline. This is due in particular to increased expenses for consulting and the preparation of financial statements as well as one-off costs for the departure of a member of the Management Board.

The balance of other operating income and expenses amounted to EUR 1.1 million in the reporting period after EUR -0.3 million in the previous year. This was due in particular to lower expenses from intra-group service relationships. In addition, financial assets were written up by EUR 0.6 million, as the

reasons for a probable permanent impairment of the carrying amount of the Novel Pharma investment no longer existed as of the reporting date.

As a result of the effects described above, EBITDA amounted to EUR -5.4 million in the fiscal year 2023 (2022: EUR -3.5 million). The operating result (EBIT) fell to EUR -6.0 million (2022: EUR -4.0 million). Thus, EBITDA is well outside the range of EUR -1.0 to +1.0 million forecast in the previous year's management report. This is also due to lower actual storage figures combined with higher expenses.

The result for the year improved significantly to EUR -3.4 million after EUR -93.0 million in the previous year, in which unscheduled write-downs on financial assets amounting to EUR 89.6 million had a negative impact on the result for the year. Financial position of Vita 34 AG (HGB)

EUR thousand	2023	2022
Cash flow from operating activities	-2,642	-4,471
Cash flow from investing activities	1,210	-512
Cash flow from financing activities		-377
<b>Total</b>	<b>2,313</b>	<b>-5,360</b>

The continuing negative cash flow from operating activities improved in the reporting period despite the significantly negative result for the year due to tax refunds of EUR 1.2 million and an increase in liabilities of EUR 3.8 million as of the reporting date.

Net cash flow from investing activities led to a cash inflow of EUR 1.2 million (2022: EUR -0.5 million). In contrast to a cash outflow for the acquisition of property, plant and equipment (EUR 1.4 million), profit transfers received in the amount of EUR 2.7 million had a positive effect on cash flow from investing activities.

The positive cash flow from financing activities of EUR 3.7 million (2022: EUR -0.4 million) is mainly influenced by taking out new loans and the capital increase.

As of December 31, 2023, cash and cash equivalents amounted to EUR 3.2 million (December 31, 2022: EUR 0.9 million).

#### Financial position of Vita 34 (HGB)

Assets EUR thousand	31.12.2023	31.12.2022
Property, plant and equipment and other intangible assets	5,925	4,849
Financial assets	113,549	113,990
Cash and cash equivalents	3,129	815
Other assets and prepaid expenses	15,165	8,784
<b>Balance sheet total</b>	<b>137,768</b>	<b>128,438</b>

Liabilities EUR thousand	31.12.2023	31.12.2022
Equity	108,397	104,749
Loans	6,549	4,973
Other liabilities and provisions	9,414	6,452
Accrued expenses and deferred income	13,408	12,263
<b>Balance sheet total</b>	<b>137,768</b>	<b>128,438</b>

Property, plant and equipment and other intangible assets amounted to EUR 5.9 million as of December 31, 2023 (previous year: EUR 4.8 million). The increase is due to the investments made.

Financial assets decreased from EUR 114.0 million to EUR 113.5 million, as loans to affiliated companies fell by EUR 1.0 million. This was offset by write-ups on financial assets in the amount of EUR 0.6 million. Other assets amounted to EUR 15.2 million as of December 31, 2023 (previous year: EUR 8.8 million) and mainly comprised trade receivables in the amount of EUR 3.6 million (previous year: EUR 2.8 million) and receivables from affiliated companies in the amount of EUR 9.4 million (previous year: EUR 2.5 million). The increase in receivables from affiliated companies is due to the intra-group loans granted to the subsidiaries PBKM and Smart Cells. Deferred income of EUR 1.6 million (previous year: EUR 1.6 million) was also included.

On the liabilities side, equity increased from EUR 104.7 million to EUR 107.8 million. The net loss for the year of EUR 4.0 million was offset by a cash capital increase carried out in December 2023, which led to an increase in share capital of EUR 1.6 million and capital reserves of EUR 5.5 million. The equity ratio decreased to 78.6% as of December 31, 2023 (previous year: 81.6%), as the balance sheet total grew disproportionately to equity.

Loans rose to EUR 6.5 million as of December 31, 2023 (previous year: EUR 5.0 million) due to taking out a new loan. Other liabilities and provisions amounted to EUR 9.4 million at the end of 2023 after EUR 6.5 million in the previous year. The increase in provisions is due in particular to higher expenses for the preparation of the annual and consolidated financial statements as well as severance payments. Liabilities also include liabilities to affiliated companies in the amount of EUR 5.4 million (previous year: EUR 4.2 million), the special item for grants and subsidies in the amount of EUR 0.2 million (previous year: EUR 0.2 million) and provisions in the amount of EUR 2.3 million (previous year: EUR 1.3 million).

Deferred income increased from EUR 12.3 million to EUR 13.4 million as of the balance sheet date. This includes storage fees, which are paid by customers once in advance and amortized on a straight-line basis over the agreed storage period.

**EMPLOYEES OF VITA 34 AG (HGB)**

Vita 34 had an average of 99 employees in 2023 (excluding the Management Board, temporary employees, part-time employees and employees on parental leave). In the previous year there were 98 employees.

**OVERALL STATEMENT ON THE ECONOMIC SITUATION OF THE GROUP**

In the opinion of the Management Board, the economic situation of the Vita 34 Group at the time of publication of the annual report is good, despite the challenging environment due to the effects of the Russia-Ukraine war, and has improved noticeably over the course of the year. In particular, it was possible to return significantly to the profit region operationally. The strategy of combining organic and inorganic growth will continue to be implemented. Integration efforts within the Group as a whole were driven forward. In 2023, corporate financing was also restructured to a large extent, creating good conditions for further growth. To provide additional security, the Management Board continues to implement a comprehensive package of measures that includes strict earnings and liquidity-oriented budget planning with additional measures depending on the situation. With a cumulative storage stock of more than 1.0 million stem cell samples and customers from around 50 countries, Vita 34 continues to be well positioned.

# Corporate Governance

**CORPORATE GOVERNANCE DECLARATION IN ACCORDANCE WITH § 289F AND § 315D HGB**

The corporate governance declaration in accordance with § 289f and § 315d HGB can be viewed on the Vita 34 AG website at <https://ir.vita34.de/investor-relations/corporate-governance/erklaerung-zur-unternehmensfuehrung/> can be viewed.

**TAKEOVER-RELATED DISCLOSURES (IN ACCORDANCE WITH § 289A AND § 315A HGB)**

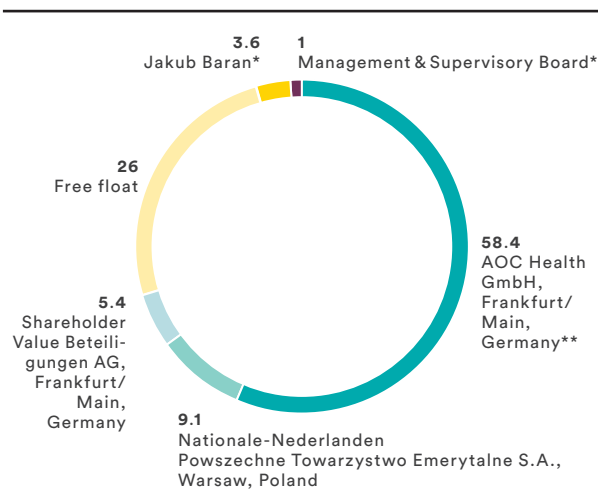
**COMPOSITION OF THE SUBSCRIBED CAPITAL**

As of December 31, 2023, the company’s share capital amounted to EUR 17,640 thousand. The subscribed capital is divided into 17,640,104 no-par value ordinary shares. Each share has one voting right. The shares are fully paid up. All shares carry the same rights and obligations. The rights and obligations of shareholders are set out in detail in the provisions of the German Stock Corporation Act (AktG), in particular §§ 12, 53a ff., 118 ff. and 186 AktG.

As part of a capital increase in December 2023, making partial use of the Authorized Capital 2022, the company’s share capital of previously EUR 16,036,459.00 was increased by issuing 1,603,645 new no-par value registered shares.

Direct or indirect shareholdings in the company’s capital as of December 31, 2023 that reach or exceed 10% of the voting rights are shown in the following list:

**SHAREHOLDER STRUCTURE AS OF DECEMBER 31, 2023 in %**



\* The members of the Management Board hold the following numbers of shares: Jakub Baran 628.153 and Tomasz Baran 122.800.

\*\* SB member Florian Schuhbauer is a shareholder of AOC Health GmbH

## STATUTORY PROVISIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE BOARD OF DIRECTORS AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The appointment and dismissal of members of the Management Board is governed by §§ 84 and 85 AktG and § 31 of the German Co-Determination Act (MitbestG). In accordance with § 8 (1) of the Articles of Association, the Management Board consists of several persons; the number of Management Board members is determined by the Supervisory Board. The members of the Management Board are appointed and dismissed by the Supervisory Board. The Supervisory Board may appoint one member of the Management Board as Chairman or Spokesman of the Management Board and another member as Deputy Chairman.

Any amendment to the Articles of Association requires a resolution by the Annual General Meeting in accordance with § 179 AktG. The authority to make amendments that only affect the wording is transferred to the Supervisory Board in accordance with § 29 of the Articles of Association. By resolution of the Annual General Meeting on September 26, 2023, the Articles of Association were amended in three points.

Resolutions of the Annual General Meeting require a simple majority of votes in accordance with § 25 of the Articles of Association, unless a larger majority is prescribed by law. In accordance with § 179 (2) AktG, resolutions by the Annual General Meeting to amend the Articles of Association require a majority of at least three quarters of the share capital represented at the time the resolution is passed, unless the Articles of Association stipulate a different capital majority.

## AUTHORIZATIONS OF THE MANAGEMENT BOARD TO ISSUE SHARES

By resolution of the Annual General Meeting on 29 June 2022, the Management Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 8,018,229.00 by issuing up to 8,018,229 new no-par value ordinary registered shares against cash or non-cash contributions on one or more occasions until 28 June 2027. This Authorized Capital 2022 was partially utilized as part of a capital increase in December 2023. Here, the company's share capital of previously EUR 16,036,459.00 was increased by issuing 1,603,645 new no-par value registered shares.

# Opportunity and risk report

## COMPLIANCE SYSTEM, OPPORTUNITY AND RISK MANAGEMENT AND ACCOUNTING-RELATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

### COMPLIANCE SYSTEM

Vita 34 AG has had a Code of Conduct for itself and the subgroup Vita 34 since 2017, as well as a set of rules with a series of process standards and work instructions that define and ensure compliant behavior. The regulatory requirements identified by the Management Board from the increased complexity in the course of the merger of Vita 34 and PBKM led to further measures in the past fiscal year.

A protected Group-wide whistleblower system was introduced on January 1, 2024.

### OPPORTUNITY AND RISK MANAGEMENT

In the reporting year Vita 34 introduced a new risk and opportunity management system (RCM), which meets the increased requirements of the size of the Group and the significantly increased complexity. The centrally controlled system is conceptually based on a company-wide and management-oriented approach with the goal of recording all relevant risks and opportunities. The aim of the system is the early identification, assessment and management of those risks and opportunities that could have a significant impact on the achievement of the company's strategic, operational, financial, legal and compliance objectives. Process and system responsibility for the system lies with the risk management function based in a subsidiary (Krio Intézet Zrt.) as well as the central functions and the regionally established risk and control officers. The identification, assessment, management and reporting of risks as well as their mitigation and control are the responsibility of the management of the organizational units affected. The findings derived from this form the basis for the "Explanation of risks" section. The Management Board identifies and evaluates opportunities in an iterative process. Central idea management is an important means of communication, while opportunities are communicated via managers and regularly evaluated together with the Management Board. Following a positive assessment, the specific exploitation and organization is carried out by central project management.

In organizational terms, the RCM is implemented through a multi-stage, self-contained process. In particular, this sets out the procedure and criteria for identifying risks and opportunities, their assessment, management, mitigation, control and reporting as well as the monitoring of the system in a binding manner.

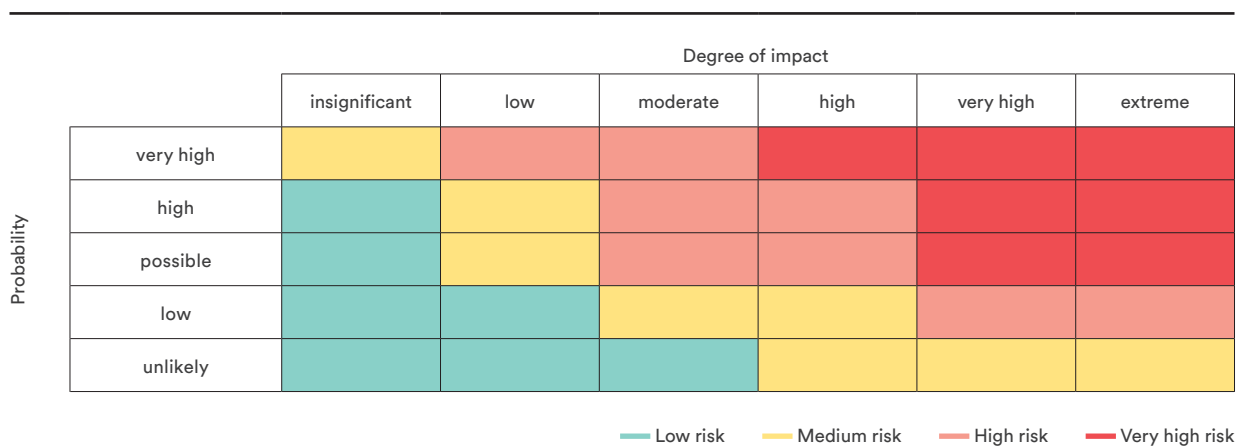
In accordance with German Accounting Standard No. 20 (DRS 20), an opportunity is defined as the possibility of a positive deviation from the defined company targets, while a risk is defined as the possibility of a negative deviation from the company forecast. The probability of occurrence of risks is categorized as follows:

Category	Probability
unlikely	0% < x ≤ 5%
low	5% < x ≤ 20%
possible	20% < x ≤ 60%
high	60% < x ≤ 90%
very high	90% < x ≤ 100%

The resulting risk significance for the risk categories is broken down into five levels:

Category	Impact
insignificant	> EUR 10 thousand
low	EUR 10 thousand < EUR 50 thousand
moderate	EUR 50 thousand < EUR 100 thousand
high	EUR 100 thousand < EUR 250 thousand
very high	EUR 250 thousand < EUR 500 thousand
extreme	> EUR 500 thousand

In summary, the following risk classification matrix results:



The Management Board bears overall responsibility for the RCM, which ensures the establishment of a comprehensive and uniform management of opportunities and risks. The risk officers are responsible for the control, implementation and further development of opportunity and risk management in their areas in day-to-day business. In accordance with § 107 para. 3 sentence 2 AktG, the Audit Committee of the Supervisory Board, which was formed in December 2021, monitors the effectiveness of the risk management system.

**DESCRIPTION OF THE MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE GROUP ACCOUNTING PROCESS IN ACCORDANCE WITH § 315 (4) HGB**

An accounting-related internal control system is another central component of the Vita 34 Group’s risk management system. The goal of the project to integrate accounting and controlling, which was started in 2022, is to merge the different systems of the two subgroups in 2024 using a professional group-wide consolidation software and to ensure a group-wide monthly reporting system. The existing system for the subgroup Vita 34 covers the following elements: a) monthly phased budget for all individual companies including subgroup



consolidation, b) monthly financial statements for all individual companies including subgroup consolidation, c) intra-year forecasting based on the quarterly results for March, June and September for all individual companies including subgroup consolidation and d) corresponding variance analyses and discussions at the Controlling and Management Board level with the managing directors of the individual companies. The controlling process for the subgroup PBKM is basically the same, with the exception that the financial statements for the year are prepared on a quarterly basis instead of a monthly basis. In addition, business reviews are held every 14 days between the Management Board and the managing directors of the individual companies in the subgroup PBKM. Overall, the controlling process at consolidated Group level thus extends to a) monthly budgets, b) quarterly financial statements, c) forecasts based on the quarterly financial statements and d) respective variance analyses. Consolidation in the Group as a whole therefore takes place on a quarterly basis. The results of the controlling process are discussed with the responsible managing directors and/or divisional managers on the one hand and at the monthly Management Board meetings on the other. Reports are also submitted to the Supervisory Board on this basis. With the described limitation at the level of the subgroup PBKM and therefore the Group as a whole, the accounting, bookkeeping and controlling processes in particular were managed on the basis of this internal system in 2023.

#### EXPLANATION OF THE RISKS

Unless otherwise stated, all risks presented relate to the Group as a whole and therefore to both subgroups. The following risks are explained on the basis of internal reporting in the risk and opportunity management system. Explanations are provided for risks to the company as a going concern in descending order of impact. Measures to control or mitigate them are also shown. The main risks identified relate to the ten risk categories of regulatory risks, medical and scientific risks, strategic risks, market and competitive risks, marketing and sales risks, cost risks, force majeure risks, operational risks, personnel risks and financial risks. Social and environmental factors were also taken into account within the ten risk categories. The main risks have not changed compared to the previous year. From the entirety of the identified opportunities and risks, the opportunities and risks that could have a significant influence on the Vita 34 Group's profit, financial and asset situation from today's perspective are explained below.

#### Financial risks

The development of the Vita 34 share price is also influenced by external events, such as crises on the financial market. The Company will continue to be characterized by compliance with laws and regulations, as well as transparent communication with shareholders on the capital market. An intact access to the capital market is an important prerequisite for Vita 34, in order to always be able to optimally adapt its own financing mix to the respective requirements.

Two financing projects were successfully implemented in the fiscal year 2023. Firstly, a Group-wide debt financing agreement was concluded to replace the credit lines that expired at the same time in both subgroups. Secondly, a capital increase was carried out to further strengthen equity financing. These two measures have placed liquidity on a strong footing in the medium term. Due to high integration costs and high up-front costs for further organic growth, the Group's financial resources are still under considerable strain. In addition to debt and equity measures, the Group can use other short-term management elements.

The possible measures include a) tight, strictly liquidity-oriented management of cash tied up as working capital in the individual companies of the Group, b) limiting investments to the extent necessary to ensure the operational security of the business, c) launching incentive programs that allow existing customers to switch from annual to prepayment contracts and d) increasing liquidity through balance sheet structuring measures. The implementation of the measures would lead to increased administrative expenses and/or higher financing costs, which would have a corresponding negative impact on the Group's return. With the capital increase, the main shareholder ultimately confirms its long-term commitment. The new credit lines have not been utilized as of the reporting date. The risk of non-compliance with the credit terms is classified as low. The liquidity risk is therefore classified as low overall, provided that the business plan can be implemented. The letter of comfort from the main shareholder was taken into account in the previous year's risk assessment. This expired with the conclusion of the credit lines in the reporting year and does not need to be renewed. Compared to the previous year, the Group's financial risks have therefore been significantly reduced.

An increase in the general interest rate level as well as the risk situation of the Group have increased the financing costs of Vita 34 overall. Additional sales price increases are being considered to avoid a reduction in margins. The prepared budget assumes that bank financing will be reduced to a large extent. It would only be necessary to take out further bank loans with corresponding interest charges in the event of business development deviating negatively from the budget, as described above. In this respect, a general rise in interest rates represents only a moderate risk.

For an investment loan of EUR 8.0 million, the loan conditions stipulate a maximum net debt to EBITDA ratio of 3.0. The Group's net debt may not exceed three times the EBITDA of the 12 months preceding the reporting date. Vita 34 must provide the bank with evidence of compliance with the condition on a quarterly basis. Exceeding the limit would result in a short-term liquidity risk for Vita 34 in the amount of the loan amount existing at that time due to the immediate maturity. Vita 34 counters this risk by continuously monitoring the ratio and utilizing the credit line as needed. The ratios derived from the planning do not provide for a violation of the credit terms over the term of the credit agreement. The risk is therefore classified as low.

#### Regulatory risks

Cooperation with medical partners with regard to knowledge transfer, advertising and the collection of umbilical cord blood and tissue as well as research projects could be restricted or terminated. Vita 34 works together with several thousand physicians and midwives. It is very unlikely that a significant number of them would suddenly end their cooperation. In addition, there are far more medical experts with whom Vita 34 does not yet cooperate, which reduces the risk accordingly, because a corresponding substitution appears possible. In addition, the products are offered directly to customers in many markets, i.e. without the involvement of the medical channel.

If Vita 34 is not successful in obtaining, retaining or renewing permits, approvals and authorizations for the collection, preparation and storage of umbilical cord blood and tissue, the Company would not be able to continue its business activities. This potentially "going concern" risk is mitigated by the fact that Vita 34 has all of the necessary internal competencies with regard to employees, quality systems, approvals and knowledge, in order to be able to continue its business activities without interruption. Therefore, this risk is considered low.

Vita 34 operates in a highly regulated environment, so that changes in the legal framework could complicate, restrict or prohibit business activities. This potentially "existence-threatening" risk is minimized by the fact that Vita 34 continuously monitors changes in the law and actively participates in the legislative process at the EU level, as well as at the state level. Since the processes of legislative changes are lengthy, potential risks can be anticipated and addressed. Vita 34 is currently not aware of any changes that could have a negative effect on its business activities. Thus, the risk is classified as low.

#### Medical and scientific risks

Alternative stem cell sources could replace the collection, preparation and storage of stem cells from umbilical cord blood and tissue, and thus the core business of Vita 34. However, this scenario is very unlikely from the Company's perspective, since there is currently no scientific basis for such a situation, and new therapies would require a very long lead time until they are ready for the market, which should allow Vita 34 to react appropriately. Should completely new therapies become available, some of them could be used in parallel with stem cell therapies. Thus, the overall risk is classified as low.

Medical treatments with stem cells from umbilical cord blood and tissue are experimental in nature, so that customers could terminate existing contracts and potential customers could distance themselves from the company's offer due to the perceived minor medical benefits. In practice, Vita 34 customers treat this service like a special type of insurance. There are more and more possible therapies, so that from the company's perspective there is no rational reason for customers to forego the service. The risk is therefore classified as low.

#### Strategic risks

Vita 34 may not be able to successfully implement its innovation and organic growth strategy or identify suitable acquisition targets and successfully integrate acquired companies. Although innovation is an important part of the business activity, it is unlikely that a lack of further innovation or a failure to implement the growth strategy will lead to the discontinuation of the business activity. A good 28% of sales are generated by existing customers. Should there be major problems in acquiring new customers, Vita 34 could consider scaling back the growth strategy accordingly, in order to generate profits with existing customers with a very limited number of employees. The risk is classified as high.

The integration of PBKM may not be successful, may not proceed as planned or may result in higher or unexpected costs. In addition, expected synergies could not be realized. Vita 34 has already successfully implemented several integration measures following the merger. These have made it clear that in principle there is further potential to partially compensate for the negative effects of the rising costs for raw materials, third-party services and the increase in salaries. Efforts are therefore continuing throughout the Group to identify and eliminate inefficiencies. The Management Board currently considers the risk to be low.

**Market and competitive risks**

The current geopolitical situation and the Russia-Ukraine war in particular are posing new challenges for the entire global economy. A sharp rise in consumer prices has been observed in Europe since 2021. There is a potential “going concern” risk that the mixture of the loss of purchasing power, gloomy future expectations and uncertainty could lead to stagnation or even a decline in demand for the Vita 34 Group. In principle, in the event of a major crisis it could happen that Vita 34 gains far fewer new customers, and the overwhelming majority of existing customers forego the stem cell storage service. However, Vita 34 is of the opinion that the typical customer profiles indicate that these customer groups are resistant to the economic crisis, since they have above-average incomes, are well educated and live in larger cities. At the same time, many markets are still underdeveloped with a market penetration of less than 2%, which should offer sufficient potential for new customers, for example in upper income brackets with a high level of economic resilience, even in difficult economic times. The risk is classified as low.

There is a risk that the business activities of Vita 34 could be impaired by an increase in the intensity of competition. This includes aggressive low-price offers, as well as significant price reductions by competitors or new companies entering the market. These measures can lead to a weaker than expected revenue and profit development at Vita 34. Due to its own strong market position, Vita 34 does not believe that any of the existing competitors will be in a financial position to start a price war against Vita 34. Rather, the opposite is the case: Vita 34 is introducing some aggressive pricing strategies in selected markets in a very targeted manner, in order to strengthen or expand its own market position. The risk is currently assessed as low.

The strong concentration on one business segment – stem cell banking – is currently to be classified as a product risk. However, increasing diversification through investments and the development of new business initiatives (CDMO, CAR-T) are already being implemented at Vita 34. Since a large portion of the revenue comes from existing long-term customers, the company does not expect a sudden increase in migration. The risk is therefore classified as low.

**Marketing and sales risks**

Potential customers can be influenced by negative, unobjective or false media coverage of umbilical cord blood storage or stem cell applications. This can lead to a loss of sales and a change in consumer behavior. In addition, the selection of cooperations or cooperation partners can lead to declines in sales due to reputational damage or contractual constellations. In the opinion of Vita 34, such a scenario can occur in individual countries, but not in all target markets simultaneously. The stem

cell banking industry is very country-specific, and only rarely have potentially negative media reports from one market been transferred to other countries. Vita 34 uses media monitoring systems and is in contact with various media representatives in order to provide truthful and reliable information and to react to potentially negative media actions in a timely manner. In 2022 there was negative reporting on stem cell applications and cell banking in some media in Poland (thus affecting the subgroup PBKM). This was countered with a correspondingly intensive awareness campaign. In general, the risk is classified as low, but with regard to the situation in Poland as a potential risk that is being actively managed.

The significant sales price increases required as a result of high general inflation could prove to be unenforceable on the market. This can lead to a decline in margins due to corresponding price reductions or volume losses. Vita 34 has the opportunity to counteract this with further price increases. Even a lower demand with regard to the number of customers could be compensated for by the overall higher margin. The Management Board views this as a possible risk, especially for the Polish market, and actively manages it with suitable sales and marketing measures. Price elasticity is considered to be low in the customer segment relevant to the company. The segment is characterized by customers who have a high affinity for medical and scientific products and have a high purchasing power. The risk is therefore considered to be low overall.

**Cost risks**

If costs for the storage of human tissue increase, Vita 34 may not be able to pass the cost increase on to its customers, which would lead to lower margins than expected. Against the backdrop of a general inflationary environment and significant shortages in the labor market, wages and salaries are rising sharply. This means that wages and salaries must also be increased significantly in the Vita 34 Group, in order to retain the necessary personnel and recruit new personnel. This results in corresponding cost and margin pressure. In addition, higher sales prices could curb demand. Strong sales price increases are being implemented in the entire Vita 34 Group; the Group is also utilizing the current general inflation mentality to enforce prices. In addition, targeted efforts are being made throughout the group to further increase efficiency and realize synergies. The risk is classified as possible, especially in the Polish market, and is actively managed.

**Risks due to force majeure**

The COVID-19 pandemic made contact with medical partners and customers more difficult, could reduce clinical capacities for the collection of stem cells from umbilical cord blood and tissue and minimize the personnel capacity of Vita 34 due to illness. The coronavirus pandemic has now subsided. A great deal of experience was gained over the duration of the

pandemic and measures were developed to manage internal and external risks in the best possible way. This can be used at any time if necessary. The risk is classified as low.

#### Operational risks

During transportation between the hospital and the Vita 34 laboratories, the collected human biological material may be damaged and become unusable for therapeutic purposes. It may happen that individual samples are lost during transportation. However, this situation is extremely rare. The risk is therefore low.

#### Personnel risks

Highly qualified employees are essential for achieving strategic and financial goals due to their skills. However, there is still strong competition for highly qualified personnel. If Vita 34 loses employees in strategically important positions, or if it is not successful in identifying, recruiting and retaining additional highly talented employees who are suitable for the special needs of the company for further organic growth, there could be potentially "existential" risks for the business development of the company. In order to ensure the best possible staffing, Vita 34 has implemented a personnel management process. In addition, the Company continuously invests in improving personnel marketing. In addition, the willingness to change is countered with targeted adjustments in employment contracts, the improvement of communication channels, as well as the strengthening of an appreciative environment. Within the scope of an attractive overall package, Vita 34 not only pays salaries in line with the market, but is also prepared to adjust the existing salary structure for existing employees in the respective department upwards if necessary. In addition, the company tries to position itself as an attractive employer through a flexible working time model, an appreciative working environment, a good team spirit and financial and non-financial benefits. Furthermore, the new company size and increased internationality resulting from the merger with PBKM will offer new opportunities for personnel development through job enlargement, job enrichment and job rotation. At the same time, this diversification leads to a higher distribution of risk. The risk is therefore considered to be high.

## OPPORTUNITIES FOR FUTURE DEVELOPMENT

Unless otherwise stated, all opportunities presented relate to the Group as a whole and therefore to both subgroups.

#### Product opportunities

Vita 34 plans to expand its CDMO activities in the subgroup PBKM to provide services to early-stage biotech companies that need to manufacture their biological drug candidates during the development process. To achieve this, more sales and marketing activities are planned for 2024, which may lead to new contracts in the future.

Vita 34 traditionally relies on organic growth within the scope of its corporate strategy. The Company is working intensively on continuously increasing market penetration in the most attractive markets through targeted marketing and sales measures, in order to expand its market position and open up underdeveloped markets.

Overall, the chances are rated as good.

#### Regulatory opportunities

In principle, Vita 34 sees potential for the products offered to be exempt from VAT as medical services. This would result in the Group being able to offer its customers more attractive prices and simultaneously increase its profitability.

The opportunity is rated as good.

#### Market opportunities through the merger with PBKM and further acquisitions

The merger with PBKM in 2021 has significantly increased Vita 34's market share in Europe. Accordingly, the financial, personnel and technological resources within the Group have increased significantly, and the already comprehensive range of services has been further expanded. In addition, new growth opportunities are opening up for Vita 34 in the operating business, as well as noticeable revenue and cost synergies.

Vita 34 has recorded growth spurts in the past through targeted strategic acquisitions, and has put itself in a position to sustainably strengthen its position in the European market. The merger with PBKM results in synergy effects and competitive advantages, which offer new opportunities for customer acquisition, particularly due to the various offerings. In addition, access to new technologies and qualified personnel will be made possible. In the past, Vita 34 has been able to build up extensive expertise in planning the integration of the acquired companies, as well as implementing them quickly and successfully.

Within the scope of the increasing consolidation of the market for private stem cell banking, Vita 34 regularly examines the potential to expand through opportunistic acquisitions, thereby improving its geographic market position throughout Europe.

The market opportunities are rated as good overall.

#### OVERALL ASSESSMENT OF THE EXECUTIVE BOARD

As an important cell bank in Europe, Vita 34 sees itself well positioned with regard to the opportunities and risks, in order to secure the continued existence of the company in the long term and to utilize the opportunities that present themselves. The significant increase in company size and the expanded internationality as a result of the merger with PBKM also have a positive effect here. After reviewing the risk situation as of the balance sheet date of December 31, 2023, there were no risks that could endanger the company as a going concern that could not be mitigated with sufficient probability. In the fiscal year, follow-up financing tailored to the Group as a whole was concluded for this purpose. This became necessary as credit lines expired in both subgroups in the fiscal year. The Group can also manage its investment decisions in line with demand to further secure its solvency. In addition, offers to switch from annual payment contracts to prepayment contracts are placed in individual markets in order to strengthen short-term liquidity. The overall risk situation of Vita 34 has improved significantly compared to the previous year, despite the macroeconomic consequences of the war in Ukraine and the associated potential effects on sales and earnings, as well as possible challenges from the merger with PBKM, thanks to the return to operating profitability, the successful restructuring of the bank loans in 2023 and the capital increase carried out. The earnings situation is considered to be good overall. There are no discernible risks to the company as a going concern in the future.

## Forecast report

The assumptions underlying this forecast report are based on the Group's internal budget planning and on the statements and publications of leading economic institutions. These mainly include the German Federal Ministry for Economic Affairs and Climate Protection (BMWK), the European Central Bank (ECB), the International Monetary Fund (IMF) and the trade

associations relevant to the company. In addition, general sentiment indicators and the currently perceptible purchasing behavior on the customer side are included in the analysis.

As has been shown in the past, the business model of Vita 34 and the demand for the Group's products are comparatively resilient to slight to moderate economic downturns. In the Company's estimation, this is directly related to the rarity or uniqueness of the birth of one's own child for most couples, which manifests itself in an increased willingness to spend money on the part of the parents-to-be. In recent years, however, stronger economic upheavals have also had a negative impact on the company's sales and earnings situation. The latter was directly observed in connection with the COVID-19 pandemic and Russia's attack on Ukraine. Such extreme economic and socio-political changes not only lead to an increased level of uncertainty among potential customers, but also – as became clear in 2022 and 2023 – even manifest themselves in sharply declining birth rates. For the fiscal year 2024, the Management Board expects these two negative factors to have a noticeably reduced impact on the demand behavior of the Group's target customer groups. At the same time, the company still sees significant potential for growth in market penetration and the birth rate.

Positive effects are also expected from the reorganization and optimization of internal structures, which Vita 34 will continue to drive forward in fiscal year 2024. For example, further mergers within the Group structure should enable more efficient processing of individual country markets. To this end, the necessary Group functions have been established, the sales and marketing structures in Germany have been strengthened, and initial integration projects to simplify the organizational and operational structure in Germany, Spain and Switzerland have been completed. Thus, Vita 34 has set a decisive course for solid growth and an increase in profitability. In addition, the basis for a sustainable improvement in gross profit margins was created by adjusting price structures.

The Group's financing was put on a solid footing in 2023 with the successful capital increase and the new Group bank financing. At the same time, the Group budget for 2024 and the planning for the following year will continue the consistent earnings and liquidity-oriented business policy. This also includes various scalable measures that – in view of the brightening but still fragile macroeconomic environment – are intended to ensure liquidity at all times in the event of a deviating negative business performance. In order to comply with the requirements of § 252 (1) No. 2 HGB and IAS 1.25

with regard to going concern, various stress test calculations were prepared which show that the existing cash and cash equivalents and available credit lines in conjunction with other liquidity-related measures guarantee the company's solvency at all times. As a short-term measure, the Group can resort to needs-based management of investment activities. In addition, offers to existing customers to switch from annual payment contracts to prepayment contracts can increase liquidity in the short term. In the opinion of the Management Board, this will ensure the company's ability to continue as a going concern.

Due to the overall improved environment for the Group's business activities and the successful implementation of efficiency enhancement measures, the Management Board expects a further significant increase in Group sales and Group EBITDA for the current fiscal year 2024. Accordingly, Group sales are expected to be in the range of EUR 81 to 88 million and EBITDA in the range of EUR 6.5 to 8.0 million. The forecast is based on a constant exchange rate of the euro against the Polish zloty and other currencies (HUF, RON, TRY, GBP) compared to April 29, 2024. Effects from possible acquisitions, including potential resulting transaction costs, are not included in the forecast.

A significant increase in revenue and EBITDA is also forecast for Vita 34 AG for the current fiscal year 2024. Accordingly, sales in the range of EUR 12 to 15 million and EBITDA in the range of EUR –3.0 to –0.0 million are expected. These are to be achieved primarily through higher new storage.

In the Research & Development segment, Vita 34 will focus primarily on the CAR-T projects of FamiCordTx in fiscal year 2024. Activities in connection with the ALSTEM project (treatment of ALS with MSCs) are currently suspended due to the high continuation costs, although the results of the Phase I clinical trial were very interesting. The Group is in talks with several universities about the continuation of the BIOOPA project (treatment of wounds with a special plaster containing MSC layers). In addition, a number of smaller projects are underway in connection with the improvement of tissue processing technologies. The total number of projects is expected to remain stable in the fiscal year 2024. The Group is considering applying for some new grants to support these projects. The new storages expected for 2024 for both Vita 34 AG and the Group as a whole are expected to be moderately higher than in the reporting year. Further growth is also planned for new customer contracts and the number of storages in 2024, despite the difficult market environment and possible fluctuations during the year. Vita 34 continues to see excellent opportunities for increasing market acceptance of its own products and services. These are to be utilized through corresponding marketing and sales activities, which are to be continued at a significantly higher level overall in 2024 than in the previous year. For the German and Polish markets, some personnel reinforcements have already been made in this area, and further improvements in the effectiveness and efficiency of the use of resources are planned.

## NON-FINANCIAL REPORTING

The Sustainability Report, which was prepared for the first time for the reporting year, is part of the Annual Report and can be accessed on the Vita 34 website under the link [https://ir.vita34.de/wp-content/uploads/pdf/Vita-34-AG\\_Geschaeftsbericht-2023.pdf](https://ir.vita34.de/wp-content/uploads/pdf/Vita-34-AG_Geschaeftsbericht-2023.pdf).

## FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements. They are based on current information available to the Group at the time the annual report was prepared. However, such forward-looking statements are subject to risks and uncertainties. If the underlying assumptions do not materialize or additional opportunities/risks arise, the actual results may deviate from the estimates made. Therefore, Vita 34 cannot assume any liability for these statements.

## DEPENDENCY REPORT

In fiscal year 2023, Vita 34 AG was a dependent company of AOC Health GmbH, Frankfurt am Main, Germany, within the meaning of § 312 AktG. In accordance with § 312 AktG, Vita 34 AG has therefore prepared a report on relationships with affiliated companies. This report concludes with the following declaration by the Management Board:

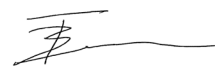
“We declare that the company received appropriate consideration for the legal transactions listed in the affiliated companies in the fiscal year 2023 according to the circumstances known to us at the time the legal transactions were carried out, the company received appropriate consideration for each legal transaction. Other measures within the meaning of § 312 (1) AktG were neither taken nor omitted in the fiscal year 2023.”

Leipzig, April 29, 2024

Management Board of Vita 34 AG



Jakub Baran  
Chief Executive Officer



Tomasz Baran  
Chief Commercial Officer

## Footnotes

- 1 [https://cord.memberclicks.net/assets/docs/Fact\\_Sheet.pdf](https://cord.memberclicks.net/assets/docs/Fact_Sheet.pdf)  
(2011)
- 2 <https://clinicaltrials.gov/ct2/results?cond=cord+blood&term=&cntry=&state=&city=&dist=&recrs=a>
- 3 [https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/6bf368c2-c935-48e4-8f28-098420e6c252-KKB\\_109\\_2023-Q4\\_Welt\\_DE.pdf](https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/6bf368c2-c935-48e4-8f28-098420e6c252-KKB_109_2023-Q4_Welt_DE.pdf)
- 4 [https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24\\_019\\_811.html](https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_019_811.html)
- 5 <https://www.gfk.com/de/presse/die-kaufkraft-der-europaeer-steigt-2023-auf-17688-euro>
- 6 <https://www.tagesspiegel.de/politik/nur-noch-136-kinder-pro-frau-krise-im-ganz-grossen--und-im-ganz-kleinen-11395373.html>
- 7 <https://www.bib.bund.de/DE/Presse/Mitteilungen/2024/2024-03-20-Geburtenrate-faellt-auf-den-tiefsten-Stand-seit-2009.html>
- 8 <https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bevoelkerung/Geburten/geburten-aktuell.html>





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# NON-FINANCIAL GROUP REPORT 2023

## Basis of the non-financial report

### REPORTING PERIOD AND FRAMEWORK

#### ESRS 2 BP-1

The following chapter presents the non-financial Group report (hereinafter referred to as the „non-financial report“) of Vita 34 AG for the Vita 34 Group (hereinafter referred to as „Vita 34“) for the fiscal year 2023 from January 1, 2023 to December 31, 2023. „Subgroup Vita 34“ and „subgroup PBKM“ refer to the two subgroups including the associated subsidiaries. Vita 34 AG in Leipzig without subsidiaries is identified below as „Vita 34 AG“ and „PBKM“ only describes the company Polski Bank Komórek Macierzystych Sp. z o. o. without subsidiaries.

The report was prepared in accordance with the statutory requirements pursuant to § 315b and c in conjunction with § 289b to § 289e HGB and Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 and the supplementary Regulation 2023/2486 of the European Parliament and of the Council of June 27, 2023 (hereinafter referred to as the „EU Taxonomy Regulation“).

The report is based on the definition of materiality and the content requirements of § 315b (1-3) HGB. In the interest of clarity, the use of a framework was waived. In preparation for the upcoming reporting obligations of the Corporate Sustainable Reporting Directive (CSRD), which Vita 34 will be subject to from the fiscal year 2024, references to the European Sustainability Reporting Standards (ESRS) have already been made in some places. These disclosures will be further developed in the reporting year 2024.

The report covers the aspects necessary for an understanding of the course of business, the business results and the situation of the Group as well as the effects of business activities.

### CONSOLIDATION FRAMEWORK

#### ESRS 2 BP-1

The concepts and results of these concepts to be presented in accordance with § 289c (3) HGB for the material sustainability topics relate to the entire Group in accordance with the scope of consolidation of the management report (see page 15 ff.), unless otherwise stated in the relevant section.

### RISKS

In accordance with § 289c (3) HGB on the disclosure of non-financial information, in addition to reporting on the material aspects, companies must also disclose corresponding risks that are associated with their own business activities, business relationships, products and services and that are very likely to have or will have a serious negative impact on the material aspects. No risks within the meaning of § 289c (3) HGB were identified in the fiscal year 2023.

Further information on risk management can be found in the risks and opportunities report on page 29 ff.

### MATERIAL TOPICS

The reportable topics are derived directly from the provisions of the CSR Directive Implementation Act (CSR-RUG) and the material sustainability topics, which were determined through a comprehensive materiality assessment. These are described in the materiality assessment section on page 42.

# Sustainability management

## BUSINESS MODEL

### ESRS 2 SBM-1

Vita 34 focuses on the collection, preparation and storage of stem cells from umbilical cord blood, umbilical cord tissue and other postnatal tissues. Through the merger with the subgroup PBKM in 2021, the company, which was founded in 1997, has developed into the largest cell bank in Europe, with over 1 million stored stem cell deposits at the end of 2023. In addition to its main business, the company offers a wide range of services and has opened up new business areas through the merger, including the development and manufacture of drugs for advanced therapies, particularly in the field of Cell & Gene therapies. Vita 34 operates internationally with a focus on Europe and manages stem cells from umbilical cord blood and other postnatal tissues of customers from around 50 countries in its own facilities as well as at partner companies. Further information on the business model, business strategy and goals can be found on page 14 of this annual report.

## INFORMATION ABOUT THE MANAGEMENT BOARD AND THE COMMITTEES

### ESRS 2 GOV-1

Vita 34 is organized according to the classic two-tier management system of a German stock corporation. In addition to the instance of the (executive) Management Board, there is also the (non-executive) Supervisory Board. Until December 31, 2023, the Management Board of Vita 34 AG consisted of three male members: Jakub Baran, Tomasz Baran and Dirk Plaga. Dirk Plaga left the company on December 31, 2023.

The Supervisory Board consists of six members, five of whom are male and one female. The Board has established an Executive/Personnel Committee and an Audit Committee, each of which comprises three members of the Supervisory Board. Two of the six Supervisory Board members are employed by the largest shareholder, Active Ownership Corporation (AOC) S.à r.l., while the other four Supervisory Board members are considered independent.

## SUSTAINABILITY MANAGEMENT

### ESRS 2 GOV-2

Vita 34 is subject to the reporting obligation under CSR-RUG for the first time for the reporting year 2023. Therefore, a comprehensive materiality assessment was conducted in the fourth quarter of 2023, from which the focus topics for this report were derived. The company is supported by external experts in the process of fulfilling regulatory requirements and developing sustainability management. These experts work together with stakeholders in both subgroups. The Management Board is regularly informed about developments and results. For 2024 and beyond, the further development of sustainability management and the introduction of policies on environment, social and governance (ESG for short) are planned.

## STAKEHOLDER MANAGEMENT

### ESRS 2 SBM-2

As an internationally active company, the business activities of Vita 34 have an impact on various stakeholders with whom the Company maintains an exchange. These include persons, organizations and interest groups that influence the success of the Company or are affected by its activities. The most important internal stakeholders for Vita 34 are the employees, the Management Board, the Supervisory Board and the Works Council. External stakeholders include customers (especially expectant parents), suppliers, trading partners, potential employees, shareholders and potential investors, local communities, as well as multipliers such as analysts and the media. Customers primarily consist of (expectant) parents or legal guardians of children from whom biological material was collected at birth, as well as donors or recipients of donor cells. Other important external stakeholders include hospitals, healthcare professionals, research institutions and scientific institutes, clinical centers, certification organizations, government institutions including regulatory authorities and institutions that fund R&D projects, as well as pharmaceutical and biotechnology companies and other organizations involved in biomedical and population-related research.

The needs and expectations of the stakeholders are determined systematically, among other things through surveys on employee and customer satisfaction, market research and the identification of regulatory requirements. Only in this way can effective strategies be developed and implemented in order to ensure the satisfaction of Vita 34's stakeholders and to position the Company successfully.

## MATERIALITY ASSESSMENT

### ESRS 2 SBM-1-42, SBM-3-48, IRO-1

In 2023, Vita 34 conducted the first comprehensive materiality assessment to identify the Company's material sustainability topics. This is the starting point for this report. The analysis was carried out on the basis of an in-depth examination of business activities and included the participation of ESG project managers, specialist departments and the Management Board. In a first step, a large number of internal documents (including annual reports, policies, internal guidelines) and external sources (including SASB, MSCI, S&P, CSR Risk Check, studies, competitor reports) were analyzed. This analysis was compared with the topics specified in the CSRD in accordance with the ESRS. Impacts (positive, negative, actual and potential) as well as risks and opportunities for the Group and its upstream and downstream value chain were then derived. The upstream value chain of Vita 34 consists primarily of the purchase of material goods (including laboratory supplies, liquid nitrogen and packaging material for the cell collection kits), as well as the commissioning of services (e.g. clinical studies, collection of samples and logistics services). The downstream value chain consists primarily of the provision of stem cells from the stem cell bank, patient-related activities in clinics (e.g. diagnostics) and other services (e.g. waste disposal).

The identified impacts, risks and opportunities (IROs) were then discussed, adapted and supplemented in workshops with the specialist departments. The IROs were determined both on the basis of the effects triggered by the Company's business activities on the environment, economy and society („impact“ or „inside-out perspective“), as well as taking into account the effects of sustainability topics on the business activities of Vita 34 („financial“ or „outside-in perspective“). An online questionnaire enabled the workshop participants and the Management Board to evaluate the identified IROs. The effects were assessed in accordance with ESRS in terms of extent, scope, irreversibility and probability of occurrence, while risks and opportunities were assessed in terms of financial impact and probability. The results were then acknowledged and validated by the Management Board.

This report focuses on the topics that are above the materiality threshold from both a financial and an impact perspective and are therefore considered material. Reporting on the materiality assessment in the reporting year 2024 will be carried out entirely in accordance with the requirements of the CSRD.

In the environment topic area, the two topics „climate change mitigation and energy“ and „resource inflows including resource use“ were assessed as material and having the highest probability of impact. The topics „working conditions and data protection“ and „Training and skills development“ were rated as material in the own workforce topic area. The topic „data protection and access to information“ from the topic area of consumers and end users and the topic „business conduct“ from the area of governance are also above the materiality threshold.

The following is an overview of the main topics for each ESRS subject area:

- **Topic environment (E1 – E5):** climate change mitigation and energy, resource inflows including resource use
- **Topic social (S1): own workforce:** working conditions and data protection, training and skills development
- **Topic social (S4): consumers and end users:** data protection and access to information
- **Topic social issues (S2 + S3): affected communities and workers in the supply chain:** not a material topic
- **Topic governance (G1):** business conduct

## Sustainability aspects

The material topics for Vita 34 are assigned to the five sustainability aspects in accordance with CSR-RUG as follows:

- Employee matters: working conditions and data protection, training and skills development
- Environmental matters: climate change mitigation and energy, resource inflows including resource use
- Social matters: data protection and access to information
- Respect for human rights: business conduct
- Anti-corruption and bribery matters: business conduct

The five aspects are explained in detail in the chapters below. In addition, topics are reported on that are of significant interest to the stakeholders of Vita 34, and in which the Group would like to contribute to transparency.

### EMPLOYEE MATTERS

#### CONCEPTS AND MATERIAL TOPICS

##### ESRS 2 IRO-1

Vita 34 views its employees as an indispensable component of its success. Great value is placed on recruiting, retaining and continuously developing motivated specialists. The focus is on safety and well-being in the workplace, as well as ensuring good working conditions. This is also reflected in the sustainability topics relevant to the Company, as the topics “training and skills development” and “working conditions and data protection” were classified as material from both a financial and an impact perspective. Vita 34 endeavors to offer all employees a familiar and trusting atmosphere, in which professionalism and creativity can be lived. The corporate values of reliability, credibility, openness, honesty and respect form the foundation for a positive corporate culture. These topics are anchored in the Code of Conduct, which is designed to promote compliance with ethical standards and the creation of a healthy working environment.

#### RESULTS AND NON-FINANCIAL PERFORMANCE INDICATORS

##### Working conditions and data protection

##### ESRS S1-2-27, S1-3, S1-8

Vita 34 is committed to a transparent and participatory work culture, which is promoted by various measures. The interests of the employees are represented by the presence of employee representatives at Vita 34 AG and PBKM. Various points of contact are available to Group employees for complaints and other concerns, such as the Human Resources Department or the Works Council (only at Vita 34 AG). The close cooperation between the Works Council and the Management Board ensures open communication and enables the Works Council to actively participate in decision-making processes.

In order to offer employees more flexibility, mobile work is also largely possible. In addition, Vita 34 AG and PBKM have a guideline for flexible working hours.

An employee survey on job satisfaction is conducted in most Vita 34 subsidiaries either annually or semi-annually. The results of the surveys are analyzed by the responsible management committees, and improvement measures are identified. Employee satisfaction and loyalty are reflected in the low fluctuation rate, which was about 17% Group-wide in 2023.

The privacy of its employees is of the utmost importance to Vita 34 and is respected with the greatest possible care. The company-wide Code of Conduct states that personal data may only be collected, processed and used in accordance with the provisions of the European Data Protection Directive, the German Federal Data Protection Act and other sector-specific data protection regulations. In addition, there is an obligation to comply with the principles of transparency, the necessity of the processed data and data avoidance and economy in a special way. In cases of doubt or violations, an identified person is available as data protection officer. Further information and measures of Vita 34 on the topics of data protection and cybersecurity can be found in the chapter social matters (p. 47 ff.).

##### Training and skills development

##### ESRS S1-13

Vita 34 identifies itself as a knowledge-based company, whereby the competencies and abilities of employees are a decisive differentiating factor for competitiveness. Continuous training and skills development are decisive in this regard. Vita 34 has implemented numerous measures for this, including a comprehensive onboarding concept. In particular, there are laboratory-specific training plans for laboratory personnel, in order to ensure an effective start to the job and to promote professional development from the very beginning. In addition, the Group offers its employees whose work requires it annual training on Good Manufacturing Practice (GMP). This includes a guideline for quality assurance of the production processes and environment in the production of pharmaceuticals and active ingredients. In addition, Vita 34 offers its employees a training budget for professional and topic-related development.

Each employee determines the training requirements individually in consultation with the respective team leader. This ensures that the needs of each individual employee can be met. The continuing education program ranges from safety training for laboratory personnel to other professional training, soft skills training and training for personal development. Each Vita 34 employee completes an average of around 12 hours of training per year.<sup>1</sup>

#### Equal treatment and equal opportunities

##### **ESRS S1-1-24, S1-6, S1-17**

Vita 34 places great value on equal treatment and equal opportunities for all employees. This is reflected in the high ratio of women throughout the Group, which is 78% (2022: 78%). The promotion of women in management positions, as well as enabling the combination of career and family, are also important to Vita 34. This can be seen in the proportion of women in management positions, which was 65% in 2023 (2022: 61%) (see table of employee key figures).

In addition, the Code of Conduct adopted at the end of 2023 expressly emphasizes that the company does not tolerate discrimination on the basis of race, ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, national or social origin. The Group strives to create a working environment that is characterized by mutual respect and appreciation and in which every person has the same opportunities for personal and professional development. Cultural diversity and tolerance are promoted and no discrimination or harassment of individuals is tolerated by the company. There were no reported cases of discrimination across the Group in the fiscal year 2023. Two cases of harassment were reported, which were investigated and closed by the company. Appropriate corrective measures were initiated.

At Vita 34 AG, a detailed discussion of the contents of the General Equal Treatment Act (AGG) takes place on the first day of a new employee, and reference is made to official complaint offices. In the future, the Code of Conduct will also be presented to new employees on their first day. In addition, the content of the Code of Conduct will be communicated to employees throughout the Group in training sessions.

#### Employee key figures<sup>2</sup>

##### **ESRS S1-6, S1-9**

	<b>Total</b>	
	Number of persons	Full-time equivalents (FTE)
<b>Total employees</b>	<b>745</b>	<b>687.7</b>
Male	162	148.3
Female	583	539.4
Female in %	78.3	78.4
<b>Employees in management functions<sup>3</sup></b>	<b>156</b>	<b>144.1</b>
Male	54	47.7
Female	102	96.4
Female in %	65.4	66.9

<sup>2</sup> Employees hired under a regular employment contract.

<sup>3</sup> Includes all persons with management functions, including team leaders, managers and managing directors.

#### Occupational safety and health

##### **ESRS S1-14**

At Vita 34, the safety of all employees has top priority. Above all, however, the safe operation of the laboratories for the preparation and storage of samples and for development studies is in the foreground. Therefore, special attention is paid to occupational safety, especially for laboratory employees. The aim is to minimize the risk of injury and avoid potentially harmful contact between employees and biological material. Special procedures and instructions ensure the proper execution of processes during sample collection, processing and storage as well as during research work in biotechnological projects.

There are numerous measures that contribute to the safety of employees. These include clear labeling and regular checks of the safety instructions on equipment. In addition, the condition of the equipment is continuously checked to ensure that it is in perfect working order. Particular attention is paid to the proper maintenance of the premises and the work area. In rooms where there is an increased risk of oxygen deficiency due to cryogenic tanks, or when work is carried out in a liquid nitrogen environment, at least two people must generally be present. For safety reasons, oxygen sensors have been installed in these rooms. There are also presence and absence signs outside each cryogenic storage facility, personal protective equipment, access restrictions, detailed work instructions and corresponding prohibition and mandatory signs. All measures are implemented in accordance with the applicable national legislation.

<sup>1</sup> The figure shows an estimate based on data from the companies Vita 34 AG, PBKM, Cilmes Šūnu Banka SIA, Famicord Suisse S.A. and KRIO Intézet Zrt.

In addition, all employees complete mandatory occupational health and safety training upon joining the company, in order to ensure a sufficient level of knowledge. During their employment at Vita 34, laboratory employees receive regular training (at least annually) on general and laboratory-related risks.

In the fiscal year 2023, 13 accidents were reported across the entire Group (out of 745 employees). There were no fatalities or cases of work-related illness. In order to minimize the number of accidents in the future, all accidents are documented and the cause of the accident is analyzed. Likewise, Vita 34 appoints dedicated health and safety personnel, there is employee participation in the area of occupational safety, as well as a semi-annual occupational safety committee at Vita 34 AG. This includes the consultation of management in the development of the training program, as well as the involvement of employees in the determination of hazards by means of workplace-specific risk assessments. In addition, laboratory personnel and other employees are actively involved in the development of occupational safety procedures in order to promote a comprehensive safety culture.

In addition to the health protection and safety measures, Vita 34 offers measures to promote health. At many locations, employees can take advantage of voluntary medical check-ups (including tests for blood-borne diseases). All health measures are offered annually or according to individual needs.

In addition, the Vita 34 AG building complex offers a variety of health courses (e.g. yoga, back training and running). Group accident insurance for private accidents is also offered at this location in addition to the coverage provided by the employers' liability insurance association. PBKM subsidizes medical care for employees in cooperation with Medcover practices and with a sports pass that gives employees access to various sports centers. Biogenis S.R.L. also cooperates with Medcover's medical facilities and introduced a prevention and health program for all employees in 2023. Stemlab S.A. began the gradual introduction of the 4-day week in 2023 (initially only every other week) to improve the health and well-being of its employees. The subsidiary KRIO Intezet Zrt. promotes community sports among its employees by paying the entry fees for running competitions, and Famicord Suisse S.A. subsidizes massage services for its employees.

## ENVIRONMENTAL MATTERS

### CONCEPT AND MATERIAL TOPICS

#### ESRS 2 IRO-1

In accordance with global efforts to reduce greenhouse gas emissions, and in order to fulfill the requirements of the Paris Climate Agreement, Vita 34 endeavors to actively contribute to a sustainable future and an intact environment for future generations. In accordance with this sense of responsibility, the environmental topics of "climate change mitigation and energy" and "resource inflows and use" were classified as material in the materiality assessment. Although Vita 34 does not operate in a resource-intensive industry and does not generate any significant energy, waste or wastewater emissions, the Company strives to reduce energy and material consumption and to keep it as low as possible in the long term. Therefore, significant environmental topics are disclosed in this report for the first time in a consolidated form.

Vita 34 works primarily in rented offices and buildings, which is why the company has only limited influence on the conditions in the buildings and corresponding climate protection measures. The real estate includes offices, production laboratories and cell and tissue banks. The Group works with more than a dozen cell and tissue banks and partner laboratories for the storage of biological material, including in Europe and the United States.

The subsidiaries within the Group are subject to different legal regulations and environmental requirements due to their territorial dispersion. Vita 34 is endeavoring to create a uniform database at the corporate level, in order to monitor and aggregate environmental data such as waste generation, energy consumption and greenhouse gas emissions in the future.

### RESULTS AND PERFORMANCE INDICATORS

#### Climate change mitigation and energy

#### ESRS E1-2

The topic of climate protection and energy encompasses activities of Vita 34 that result in greenhouse gas emissions. With regard to our own business operations, this primarily includes emissions from the vehicle fleet, as well as the procurement of energy for business activities and buildings. The responsible use of energy is important to the Group. Therefore, the purchasing department of Vita 34 AG already exclusively purchases TÜV-certified green energy from 100 % renewable sources. In addition, Vita 34 AG has its own photovoltaic system on the rented office building at the Leipzig location. 91% of the energy generated there is used directly by the Company (see table energy consumption and electricity generation of Vita 34). In 2024, the replacement of fluorescent tubes with more energy-efficient LEDs is planned at some locations, including Seracell Pharma GmbH, in order to save additional energy.

An initial analysis shows that the primary energy consumers in the Group are the laboratories in which biological material is processed and stored. Heat consumption is another factor that drives climate emissions. In addition to the heating required for the offices and laboratories, coolant (liquid nitrogen) is also required for the cryostats. Consumption data for electricity and heat are shown in the table below.

**Energy consumption and electricity generation at Vita 34<sup>3</sup>**  
**ESRS E1-5**

	<b>Total</b>
<b>Energy consumption (in MWh)</b>	<b>7,721.9</b>
non-renewable	5,540.3
renewable	2,181.6
<b>Electricity generation by PV system at the Leipzig site (in MWh)</b>	<b>23.131</b>
of which consumed internally	91%
of which fed in	9%

**Resources (inflows and outflows)**  
**ESRS E2-1, E5-1, E5-4, E5-5**

The topic of resources covers all materials, consumables and resources that are procured, used and consumed for business operations. In addition to energy, fuel and water, examples include liquid nitrogen for sample cooling and consumables for laboratory operations.

The use of resources leads to the generation of waste. Here, the category of medical waste makes up a significant portion of the total waste generated at Vita 34. With this type of waste, Vita 34 acts according to the precautionary principle, in order to reduce the risk of infection for employees and outsiders through contact with medical material. Thus, nearly all materials, packaging, instruments, reagents and liquids that are used in the collection and processing of samples are classified as medical waste as a precautionary measure. In addition, almost all waste generated by individual laboratories as part of their research on biotechnological projects is also assigned to this waste category. The selection and handling of waste is carried out by employees. They receive annual training for this purpose. Subsequently, disposal is handled by specialized facilities. Although additional disposal costs arise for Vita 34 due to the careful treatment of waste in accordance with the precautionary principle, proper handling of the waste is ensured. In 2023, 45,132 kg<sup>4</sup> of hazardous waste was generated and properly disposed of.

The table below lists the types of waste occurring at Vita 34 according to hazard categories.

**Waste types of Vita 34**  
**ESRS E5-4**

<b>Non-hazardous waste</b>	<b>Hazardous waste</b>
Plastics, paper, cardboard/cardboard, metal, glass, electronic waste, reagents and their packaging, aerosol waste, cartridges (from office equipment), municipal waste water, chemicals not declared as hazardous substances	Biomass, chemical waste from virus detection analyses, chemicals declared as hazardous substances

**ESRS E2-2, E5-1, E5-3**

In order to keep both the amount of inflow and the amount of waste as low as possible, Vita 34 has implemented various measures in terms of reuse: The collection boxes for storing umbilical cord blood and tissue can be used more than ten times and the gel pads can be used for more than one year per collection box. In addition, the use of metal cassettes ensures long-term storage and less waste. Polystyrene packaging for sample transportation is also always prepared for reuse. These are cleaned, disinfected and repackaged. Packaging materials and most consumables that come into direct contact with human samples, or where there is a real risk of this, are only used once for reasons of hygiene.

Another measure to reduce the use of resources that has already been implemented is the replacement of the cassettes used to cryopreserve samples at the Leipzig site: The previously used anodically oxidized cassettes have been replaced by non-anodically oxidized ones. This measure will contribute to a reduction in energy consumption and the negative environmental impact of the anodization process. In addition, old technical devices such as monitors and computers are recycled separately according to their components at Vita 34 in recycling centers.

<sup>3</sup> Includes Vita 34 AG and PBKM. In the coming years, the data situation at the subsidiaries is to be improved in order to present a more complete picture of the Group.

<sup>4</sup> Includes Vita 34 AG, Seracell Pharma GmbH, PBKM, Famicord Suisse S.A. KRIO Intézet Zrt. The data situation at the subsidiaries is to be improved over the next few years in order to provide a complete picture of the Group.



## Water

### ESRS E3-1, E3-2, E2-2, E3-4

Although the topic of water was not classified as material in the materiality assessment, Vita 34 recognizes the importance of this resource. Vita 34 AG and PBKM consume 1,529,450 liters of water annually<sup>5</sup>, which is obtained from local municipal facilities. In order to reduce the consumption of fresh water, PBKM adds rainwater on the basis of corresponding permits. This measure serves to promote the sustainable use of the resource.

In order to avoid water pollution, Vita 34's trained employees dispose of chemicals and contaminated liquids properly. In addition, the subsidiary KRIO Intézet Zrt., for example, already uses water-saving technologies in toilet flushing and water filter systems in order to use water efficiently and minimize the environmental impact.

## SOCIAL MATTERS

### CONCEPT AND MATERIAL TOPICS

#### ESRS 2 IRO-1

With its business model, Vita 34 makes a contribution to modern health care for today's and future generations. Therefore, ensuring a high quality of service, as well as providing reliable information for customers and patients, is at the heart of its actions. Out of a sense of social responsibility, local communities around the Vita 34 locations are also of decisive importance for the company.

The customers of Vita 34 consist primarily of expectant parents of children from whom umbilical cord blood and other postnatal tissue is collected after birth. In addition, Vita 34 provides patients with cell preparations for individual Cell & Gene therapies within the scope of clinical studies and medical tests.

In order to provide customers and patients with the best possible support and care, the focus of our actions is on data protection, access to high-quality information, quality and security, as well as social inclusion. The topics of "data protection and access to high-quality information" have the highest priority, as the results of the materiality assessment of Vita 34 (see page 42) show. This includes the protection of the personal data of all customers and patients as well as the right to access high-quality information with which they can make informed decisions about their health.

## RESULTS AND PERFORMANCE INDICATORS

### Safety and health of customers and patients

#### ESRS S4-1, S4-2, S4-3

The safety and health of customers and patients are the top priority for Vita 34. Therefore, Vita 34 has implemented numerous measures to make its service process as safe as possible. The classic service process for the collection and storage of stem cells can be described as follows: After the initial contact with potential customers and partners, they receive detailed information about the services of Vita 34, including the process description, possible side effects and risks. After conclusion of the contract, a collection set is delivered directly to the customer. At the time of delivery, this kit is taken by the customer to the clinic of choice. The clinic staff trained by Vita 34 collects blood or tissue from the umbilical cord following the birth of the child. The blood or tissue stored in the collection set is then brought to one of the Vita 34 laboratories by a courier. After the blood has been processed by the laboratory staff and extensive tests have been carried out to ensure the quality of the samples, the stem cells are frozen and the customer receives a report on the results. If there are any doubts about the usability of the collected material, customers are contacted directly. The cells are then stored for a period of time individually requested by the customer. If a clinical indication suggests the use of the samples, the stored blood or tissue is processed by trained specialists, prepared for transportation and made available to a clinic.

Although customers and patients are not exposed to any direct physical risk during the collection of umbilical cord blood, they are informed in detail about possible side effects via various channels prior to the conclusion of the contract (see section access to high quality information). In addition, Vita 34 ensures that the clinic staff has received the best possible training for the collection of the samples. The laboratory personnel, who are responsible for the preparations and monitor the storage, are also regularly trained in order to ensure maximum safety in the preparation and storage of the samples. Vita 34 always ensures compliance with national and international regulations, guidelines and global standards.

### Support for communities

Vita 34 is committed to the promotion of public health and assumes social responsibility. As part of its commitment, Vita 34 AG offers the so-called "Family Umbilical Cord Program". In this program, family members and outsiders have the opportunity to donate stem cells free of charge. Donated umbilical cord blood can be used in blood cancer therapy in order to cure the disease or stop its progression. In addition, Vita 34 has developed a targeted donation program for young cancer patients. If the parents of such a young cancer patient are expecting a new child, Vita 34 offers its services free of charge or at a significantly reduced price.

PBKM also operates a public umbilical cord blood bank. The samples stored there are accessible via global registries for patients who require a stem cell transplant. Most of the costs associated with operating the public bank are borne by the company. To this end, "cord blood days" are organized where

<sup>5</sup> Water data is only available for the companies Vita 34 AG and PBKM. In the coming years, the data situation at the subsidiaries will be improved in order to present a complete picture of the Group.

patients from all over the country can have cord blood collected free of charge and donate it to the public bank. PBKM has also launched a donation agreement where they have donated money to foundations and associations for every questionnaire completed by their customers to spread knowledge about cord blood banking. PBKM is also co-organizer of the scholarship program for young scientists “ExCELLent Grand”, which funds scientific research.

As a further example of efforts to assume social responsibility, Vita 34 has launched an anonymous sperm donor program in Denmark and Hungary to support women who want to have and raise children without a partner. Stemlab S.A. also got involved in 2023 with a charity run, the “Run For A Cause”. The kilometers run were converted into a donation to the non-profit organization “Acreditar”, which supports families with children suffering from cancer in hospitals.

#### Access to high-quality information

##### **ESRS S4-2, S4-3, S4-4**

Vita 34 has set itself the goal of offering the best possible service, and places the education of its customers and patients at the center of its activities. Customers and patients receive transparent and comprehensive information about the advantages and disadvantages measured at stem cell banking, about the areas of application of stem cells and the course of possible therapies. This enables them to make informed decisions and receive the treatments that are right for them. Providing appropriate information about the services and procedures of the processes is a crucial element of patient care. A variety of on-site and online measures are used to ensure a good exchange of health information. These include educational articles, brochures, discussions with gynecologists and visits to trade fairs. In addition, healthcare professionals receive extensive training through courses.

Furthermore, great importance is attached to a trusting customer relationship, which is why customers and patients are offered an extensive range of communication options for questions, expressions of opinion or other concerns. This includes channels such as telephone, e-mail and chat as well as letters and face-to-face meetings. Customers also have the opportunity to rate the company online. Not only are satisfaction surveys carried out, but the Net Promoter Score (NPS) is also actively monitored and discussed internally. Vita 34 also informs its existing customers about the latest developments in the company and stem cell storage at least once a year. Furthermore, Vita 34 conducts regular market research in order to gain insight into the needs and wishes of consumers. Customers also have the opportunity to change their personal data, manage their contract, make payments and check test results at any time in their personal customer portal on the Vita 34 website.

In 2024, Vita 34 would like to focus its information production on the opinions of independent experts and healthcare professionals. These should provide potential customers and patients with a comprehensive information base.

#### IT security and data protection

##### **ESRS S4-3, S4-4**

Vita 34 has developed a comprehensive IT strategy to ensure the security of its systems and data. This strategy stipulates that IT systems are preferably stored “on-premise”, i.e. at local storage locations. Cloud solutions are only used in exceptional cases. This is intended to increase data security and minimize the possibility of data theft. Most subsidiaries have a standardized and comprehensive backup concept (three backup copies on two different local storage media and one “offsite” medium). This ensures that data is not lost in the event of natural disasters, accidental deletion, hardware failures and cyberattacks. Additional security measures at Vita 34 include firewalls, anti-virus systems, two-factor authentication, access management, protective measures against hacking and action protocols for IT failures.

The Group works with a large amount of sensitive data such as customer, patient, employee and health data. In doing so, Vita 34 ensures that the data is only collected, used and processed for the necessary purposes and protects it from possible misuse, inappropriate disclosure or loss. The amount of data requires comprehensive cyber and IT security measures throughout the organization. Vita 34’s security approach is aligned with the Group’s business objectives and ensures appropriate protection of all information, systems, assets, physical locations and people. In 2023, Vita 34 appointed an external data protection officer. In 2024, the focus will be on the development of Group-wide guidelines for dealing with data breaches.

In 2023, three reportable data protection breaches were identified throughout the Group. These were reported to the supervisory authority in a timely manner in accordance with the legal requirements of the General Data Protection Regulation (GDPR) with the relevant content, the security measures applied or proposed to minimize the risk of recurrence were described and those affected were informed. This corresponds to the procedure prescribed by the GDPR. The incidents were analyzed in detail and appropriate measures were introduced to minimize the risk of future incidents.

To strengthen IT and data security, Vita 34 regularly commissions external companies to check data security and identify possible security gaps. Extensive half-day and full-day training courses were held at various Group locations<sup>6</sup> in 2023 to raise employee awareness in handling sensitive data. For example, all PBKM employees took part in mandatory cyber security training. This consisted of 16 modules and provided information on data security, data breaches and how to deal with critical situations. All employees employed at the time completed the course, which lasted around seven hours.

<sup>6</sup> Vita 34 AG, Biogenis S.R.L., Famicord-Acibadem, Famicord Suisse S.A. and Yasam Bankasi.

## GOVERNANCE AND ANTI-CORRUPTION AND BRIBERY MATTERS

### CONCEPT AND MATERIAL TOPICS

#### ESRS 2 IRO-1, G1-1

Fair and professional business practices are of the utmost importance to Vita 34. In 2023, the first steps were taken towards a successful and sustainable corporate culture for the entire Group by adopting the first Group-wide Code of Conduct. Responsible action, constructive cooperation and satisfying the interests of stakeholders are the company's top priorities. This is also reflected in the high rating given to the topic of "business conduct" in the materiality assessment. Of all the topics considered, the financial impact was rated highest. According to the ESRS, business conduct includes the topics of corruption and bribery, protection of whistleblowers, animal welfare, political engagement and lobbying activities as well as the management of relationships with suppliers, including payment practices.

### RESULTS AND PERFORMANCE INDICATORS

#### ESRS 2 GOV-1, G1-1, G1-3, G1-4

##### Compliance management system

The recruitment of a Head of Legal & Compliance in May 2023 laid the foundation for the implementation of a compliance management system (CMS) for the company. At the end of 2023, a compliance investigation was carried out at a Group company, which was triggered by an internal tip-off. The irregularities identified primarily related to the necessary qualification of a senior physician with potential effects on the manufacturing authorization of the Group company. Vita 34 published an ad hoc announcement to the capital market on November 10, 2023. In order to avoid such cases in the future, a number of preventive measures have been derived, including the introduction of stricter standards regarding the review of CVs, qualifications and titles when hiring and promoting to key positions in the Group. These prevention measures were implemented across the Group at the beginning of 2024.

The objectives and measures in the area of compliance are regularly discussed and reviewed with the Management Board: in 2023 in the form of a weekly exchange between the Head of Legal & Compliance and the CFO. The Supervisory Board is informed about the progress of the topic at regular periodic meetings and also as required. In the reporting year 2023, an extraordinary Supervisory Board meeting was also dedicated solely to the area of compliance.

The next milestone was reached at the end of 2023 with the publication of the new Code of Conduct, which came into force on January 1, 2024. This forms a comprehensive framework for legal regulations and guidelines and obliges all employees to behave in accordance with this code. It covers topics such as fair competition, prevention of corruption and bribery, lobbying, data protection, environmental protection, human rights, equal opportunities, diversity, fair working conditions and social commitment. The Code serves as a guideline for ethical behavior and helps to safeguard corporate values.

In order to translate compliance and anti-corruption guidelines into practice, numerous local training courses are already being offered, particularly for sales employees. Further policies for implementing the regulations in the Code of Conduct are currently being drawn up and will be published in the 2024 financial year.

Whistleblowing system**ESRS G1-1**

In the event of violations of the Code of Conduct or other behavioral guidelines, it is important to Vita 34 to create a safe space for reporting incidents and to protect the anonymity of whistleblowers. With this in mind, a Group-wide whistleblowing system including a whistleblowing policy was rolled out at the end of 2023, which covers all Group employees. The link can be found on all company websites and can be accessed by both internal and external parties. The companies Vita 34 AG, PBKM, KRIO Intézet Zrt. and Secuvita S.L. are included in the consolidated financial statements due to their number of employees (more than 50 employees) in accordance with local laws on whistleblower protection. These local reporting offices are integrated into the central reporting office at Vita 34.

Further measures are to be rolled out in 2024 – such as training for employees – in order to increase the visibility of the whistleblowing system.

Anti-corruption**ESRS G1-1, G1-3, G1-4**

Vita 34 pays special attention to anti-corruption and bribery matters. To this end, the internal and external departments and business relationships where there is a potentially higher risk of corruption were initially analyzed. These areas include purchasing and sales as well as people with direct contact to medical partners. One reason for this is the remuneration of healthcare professionals, which is subject to strict legal regulations, meaning that they could be more susceptible to incidents of corruption.

Numerous measures have been developed to minimize the risk of corruption. For example, special programs and educational campaigns have been developed in order to comply with the strict guidelines for the remuneration of partners (doctors, midwives and hospitals) for their services in the healthcare sector. The Vita 34 legal department works closely with all relevant customer departments to educate and develop legally secure programs.

Vita 34 is not aware of any cases of corruption or bribery in fiscal year 2023. The implementation of a comprehensive anti-corruption system is planned for fiscal year 2024.

Political commitment and lobbying activities**ESRS G1-5**

Transparency is of the utmost importance for Vita 34 – not only in the direction of information transparency for its customers and patients, but also in order to maintain successful and long-term business relationships and to act as a socially responsible player. Therefore, Vita 34 is registered in the German lobby register, which is updated regularly. In all lobbying activities in Germany, Vita 34 is supported by external consultants and complies with legal regulations at all times.

In addition, Vita 34 is a member of the industry organization “Cord Blood Association” (CBA). This organization brings together both public and private institutions that deal extensively with umbilical cord blood banks. The CBA is also involved in the development of new laws at EU level.

**RESPECT FOR HUMAN RIGHTS****CONCEPT AND MATERIAL TOPICS**

Respecting and protecting human rights is the basis of Vita 34’s business activities – with employees and business partners around the globe.

As a Group, Vita 34 is aware of its responsibility to society and is actively committed to upholding and promoting human rights. This occurs not only within the scope of its business activities, but also by supporting initiatives for global health promotion and social justice. This corresponds to the fundamental values of the company as well as the expectations of the stakeholders (see chapter social matters).

**RESULTS AND PERFORMANCE INDICATORS****ESRS S1-17, S3-4**

Vita 34’s commitment to respecting human rights is reflected in various aspects of its business practices and is set forth in the Code of Conduct: The Company does not practice or tolerate exploitation, forced or child labor. In addition, Vita 34 ensures that employees are informed about human rights violations with the Code of Conduct.

It is a goal of Vita 34 to make a positive contribution to improving the quality of life and well-being of people worldwide, while ensuring that human rights are respected and promoted at every stage of its business operations.

No incidents of forced labor, child labor, human trafficking or other human rights violations were documented during the reporting period. Efforts to combat human rights violations are to be expanded in 2024.

# EU taxonomy

## GENERAL INFORMATION

### INTRODUCTION OF EU TAXONOMY

In order to achieve the European Union's climate and energy targets for 2030 and realize the goals of the European Green Deal, investments are to be directed towards sustainable activities in the future. The EU has therefore adopted a classification system for categorizing environmentally sustainable economic activities in the real economy – the so-called EU taxonomy. It details disclosure requirements regarding sales, capital expenditures (CapEx) and operating expenditures (OpEx) that are in line with the six environmental objectives defined by the EU. These targets include:

1. Climate protection
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For the fiscal year 2023, reporting companies must disclose the taxonomy aligned sales, CapEx and OpEx for all six environmental objectives listed above for the first time. Due to the simplification provisions of the EU Commission, taxonomy aligned sales, CapEx and OpEx for the reporting year 2023 only have to be disclosed for the two environmental objectives "climate change mitigation" and "climate change adaptation".

Economic activities to which a description from the Delegated Act applies are considered taxonomy eligible. In order for a taxonomy eligible economic activity to be considered taxonomy aligned in the second step, the following conditions must be met: The economic activity makes a substantial contribution to at least one of the environmental objectives; the economic activity does not lead to significant harm to one or more other environmental objectives, thus fulfilling the so-called "Do-No-Significant-Harm" criteria (DNSH criteria for short); the minimum safeguard criteria are met company-wide.

### GENERAL INFORMATION

The amounts used to calculate the key sales, CapEx and OpEx figures are based on the figures reported in the consolidated financial statements (see pages 62 ff.). In principle, all fully consolidated Group companies are included in this analysis.

In accordance with Art. 8 of the EU Taxonomy Regulation (hereinafter EU Tax Regulation) 2020/852, Vita 34 is obliged to provide information in the non-financial report on the extent to which and to what extent the economic activities are taxonomy eligible and taxonomy aligned. The EU taxonomy performance indicators to be reported are explained in the following sections.

## REPORTING ON TAXONOMY ELIGIBILITY AND ALIGNMENT

The determination of taxonomy eligible and taxonomy aligned sales, capital expenditures and operating expenditures was carried out at Vita 34 in a multi-stage process.

1. Determination of taxonomy eligible activities
  - 1.1 Comparison with NACE codes: At Vita 34, the determination of the economic activities that can be taxonomized in principle was based on a thorough analysis of the economic activities, taking into account the NACE codes (Nomenclatur statistique des activités économiques dans la Communauté).
  - 1.2 Comparison of economic activities: A comparison of the company's economic activities with the descriptions of the EU taxonomy was carried out to ensure that all relevant areas were included in the disclosures.
  - 1.3 Determining the share of taxonomy eligible sales, CapEx and OpEx: The corresponding sales, CapEx and OpEx were allocated for each taxonomy eligible economic activity. The results were validated by the responsible departments, the (sub-)Group management and Controlling.
2. Determination of taxonomy aligned activities
  - 2.1 Verification of compliance with the technical evaluation criteria:
    - a) Substantial contribution criterion
    - b) "Do-No-Significant-Harm" criteria

2.2 Checking compliance with the minimum safeguard criteria

2.3 Determination of the share of taxonomy aligned sales, CapEx, OpEx: The results of the alignment test validated by the responsible specialist departments, (sub)group management and controlling.

## TAXONOMY ELIGIBILITY

### Sales

In accordance with Annex I of Delegated Act (EU) 2021/2178, the sales indicator shows the proportion of sales generated by taxonomy eligible economic activities in a fiscal year (numerator) in relation to total sales in the same fiscal year (denominator).

The denominator of the key figure sales corresponds to the figure reported in the consolidated income statement for the relevant fiscal year in this annual report (see page 62), which was calculated on the basis of the International Financial Reporting Standards (IFRS) applicable to the consolidated financial statements. This amounts to EUR 77,062 thousand this year.

In fiscal year 2023, Vita 34 did not generate any sales from the economic activities specified in the Delegated Acts. The economic activities of Vita 34 do not fall within the selected NACE codes of the EU taxonomy. Accordingly, the share of taxonomy eligible and taxonomy aligned sales in Group sales amounts to 0% in fiscal year 2023.

### Capital expenditures (CapEx)

To calculate the capital expenditures ratio in accordance with the Delegated Act, the taxonomy eligible capital expenditures (numerator) is divided by the total capital expenditures (denominator).

The denominator of capital expenditures is also calculated on the basis of the International Financial Reporting Standards (IFRS) applicable to the consolidated financial statements. It is made up of gross additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and right-of-use assets and leases (IFRS 16). In 2023, there were no additions to real estate (IAS 40) or agriculture (IAS 41). Goodwill was not taken into account. Capital expenditures amounted to EUR 7,631 thousand and therefore corresponds to the total additions reported in the notes to the consolidated financial statements, which are shown in tables 7.1.2, 7.1.3 and 7.1.4 (see page 113 ff.).

The numerator of capital expenditures may include assets or processes associated with taxonomy aligned or eligible activities (category a). On the other hand, the numerator may include expenditures that are part of a plan to expand taxonomy eligible or taxonomy aligned activities or to convert taxonomy eligible activities into taxonomy aligned activities (category b). It can also include the acquisition of the production of taxonomy eligible economic activities and individual measures that are intended to lead to greenhouse gas reductions (category c). This includes in particular those listed in the Delegated Acts on climate and other economic activities, provided that these measures are implemented and ready for use within 18 months.

Since no taxonomy eligible sales were determined at Vita 34 and there are currently no CapEx plans, Vita 34 only claims capital expenditures according to CapEx category c:

- 6.5 Transportation by motorcycles, passenger cars and light commercial vehicles (vehicle fleet): EUR 708.3 thousand
- 6.6 Transportation of goods by road (courier transport of samples): EUR 14.4 thousand
- 7.7 Acquisition and ownership of buildings: EUR 217.4 thousand

The share of taxonomy eligible capital expenditure in the fiscal year 2023 is therefore 12.3%.

### Operating expenditures (OpEx)

In accordance with the Delegated Act, the key figure for operating expenditures is calculated from the taxonomy eligible operating expenditures (numerator) divided by the total operating expenditures (denominator).

In accordance with the Delegated Act, the numerator for the calculation of operating expenditures is composed in the same way as the numerator of the CapEx provision. A distinction in the calculation of operating costs compared to investment costs is made in the denominator. This is made up of direct, non-capitalized costs, such as expenses in the area of research and development, building renovation and refurbishment, short-term leasing and maintenance or repair, as well as other direct expenses in connection with daily maintenance of tangible assets to ensure functionality. The OpEx denominator amounts to EUR 1,619.3 thousand in 2023.

The operating expenditures in accordance with section 1.1.3 of Annex I of the Delegated Regulation on reporting obligations are immaterial for the business model compared to the total operating expenditures at Vita 34. Thus, the corresponding taxonomy eligible share of operating expenditures in fiscal year 2023 is 0%.

#### TAXONOMY ALIGNMENT

The examination of compliance with the technical assessment criteria of the taxonomy eligible economic activities led to the conclusion that the activities cannot be reported as taxonomy aligned due to a lack of information for compliance with the DNSH criteria for the environmental objective “climate change adaptation” and for the examination of the minimum social requirements. Accordingly, the share of taxonomy aligned sales, capital expenditures and operating expenditures amounted to 0% in the fiscal year 2023.

#### OTHER NOTES

##### Exclusion of fossil gas and nuclear energy

For the purposes of the reporting forms in accordance with Annex XII of Delegated Regulation 2021/2178, please note that no activities are carried out in the field of electricity generation, combined heat, power and cooling and heat/cold generation from fossil gas in accordance with Delegated Regulation (EU) 2022/1214. In addition, Vita 34 has no activities in the field of nuclear energy.

##### Avoidance of double counting

The amounts stated below are currently allocated by Vita 34 exclusively to the environmental goal of climate protection. Furthermore, the individual economic activities claimed for capital expenditures are not linked to one another. Double counting is excluded through this approach.

##### Disclaimer

Vita 34 takes great care to ensure the correctness of the published information. Nevertheless, no guarantee can be given with regard to the correctness, accuracy, up-to-dateness, reliability and completeness of this information. Liability claims against Vita 34 for damages of a material or immaterial nature resulting from the access, use or non-use of the published information are excluded.

## SALES

Economic activities (1)	Code <sup>1</sup> (2)	Sales (3)  in EUR thousand	Proportion of sales revenue (4)  %	Substantial contribution criteria						
				Climate protection (5)  Y; N; N/EL <sup>2</sup>	Climate change adaptation (6)  Y; N; N/EL <sup>2</sup>	Water (7)  Y; N; N/EL <sup>2</sup>	Pollution (8)  Y; N; N/EL <sup>2</sup>	Circular economy (9)  Y; N; N/EL <sup>2</sup>	Biodiversity (10)  Y; N; N/EL <sup>2</sup>	
<b>A. Taxonomy eligible activities</b>										
<b>A.1. Environmentally sustainable activities (taxonomy aligned)</b>										
Sales for environmentally sustainable activities (taxonomy aligned) (A.1)		0.0	0.0%	-	-	-	-	-	-	-
of which enabling activity				-	-	-	-	-	-	-
of which transitional activity				-	-	-	-	-	-	-
<b>A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned)</b>										
Sales for taxonomy eligible but not environ- mentally sustainable activities (not taxonomy aligned) (A.2)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sales for taxonomy eligible activities (A.1 + A.2)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>B. Taxonomy-non-eligible activities</b>										
Sales for taxonomy-non-eligible activities (B)		0.0	100.0%							
<b>Total (A+B)</b>		<b>77,061.8</b>	<b>100.0%</b>							

<sup>1</sup> The code represents the abbreviation of the relevant objective to which the economic activity can make a significant contribution (for example: CCM - Climate Change Mitigation) and the number of the section of the activity in the relevant Annex to the Taxonomy Regulation that covers the objective

<sup>2</sup> Y – Yes, activity that is taxonomy aligned with the relevant environmental objective; N – No, activity that is taxonomy eligible but not taxonomy aligned with the relevant environmental objective; N/EL – “not eligible”, activity not taxonomy eligible for the relevant environmental objective

<sup>3</sup> EL: “eligible”, activity taxonomy eligible for the respective objective; N/EL: “not eligible”, activity not taxonomy eligible for the respective objective



DNSH criteria (“do no significant harm”)										
Climate protection (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy aligned (A.1.) or taxonomy eligible (A.2.) sales revenue 2022 <sup>2</sup>	Category: enabling activity (20)	Category: transitional activity (21)	
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-

## CAPITAL EXPENDITURES (CAPEX)

Economic activities (1)	Code <sup>1</sup> (2)	Investments (capex) (3) in EUR thousand	Proportion of capex (4) %	Substantial contribution criteria						
				Climate protection (5) Y; N; N/EL <sup>2</sup>	Climate change adaptation (6) Y; N; N/EL <sup>2</sup>	Water (7) Y; N; N/EL <sup>2</sup>	Pollution (8) Y; N; N/EL <sup>2</sup>	Circular economy (9) Y; N; N/EL <sup>2</sup>	Biodiversity (10) Y; N; N/EL <sup>2</sup>	
<b>A. Taxonomy eligible activities</b>										
<b>A.1. Environmentally sustainable activities (taxonomy aligned)</b>										
Capex for environ- mentally sustainable activities (taxonomy aligned) (A.1)		0.0	0.0%	-	-	-	-	-	-	-
of which enabling activity				-	-	-	-	-	-	-
of which transitional activity				-	-	-	-	-	-	-
<b>A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned)</b>										
				EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>
Transportation with motorcycles, passenger cars and light commercial vehicles	CCM 6.5	708.3	9.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transportation of goods by road	CCM 6.6	14.4	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	217.4	2.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Capex for taxonomy eligible but not environmentally sustainable activities (not taxonomy aligned) (A.2)		940.1	12.3%	12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capex for taxonomy eligible activities (A.1 + A.2)		940.1	12.3%	12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>B. Taxonomy-non-eligible activities</b>										
Capex for taxonomy- non-eligible activities (B)		6,690.9	87.7%							
<b>Total (A+B)</b>		<b>7,631.0</b>	<b>100.0%</b>							

<sup>1</sup> The code represents the abbreviation of the relevant objective to which the economic activity can make a significant contribution (for example: CCM - Climate Change Mitigation) and the number of the section of the activity in the relevant Annex to the Taxonomy Regulation that covers the objective

<sup>2</sup> Y – Yes, activity that is taxonomy aligned with the relevant environmental objective; N – No, activity that is taxonomy eligible but not taxonomy aligned with the relevant environmental objective; N/EL – “not eligible”, activity not taxonomy eligible for the relevant environmental objective

<sup>3</sup> EL: “eligible”, activity taxonomy eligible for the respective objective; N/EL: “not eligible”, activity not taxonomy eligible for the respective objective



## OPERATING EXPENDITURES (OPEX)

Economic activities (1)	Code <sup>1</sup> (2)	Operating expenditures (opex) (3)  in EUR thousand	Proportion of capex (4)  %	Substantial contribution criteria					
				Climate protection (5)  Y; N; N/EL <sup>2</sup>	Climate change adaptation (6)  Y; N; N/EL <sup>2</sup>	Water (7)  Y; N; N/EL <sup>2</sup>	Pollution (8)  Y; N; N/EL <sup>2</sup>	Circular economy (9)  Y; N; N/EL <sup>2</sup>	Biodiversity (10)  Y; N; N/EL <sup>2</sup>
<b>A. Taxonomy eligible activities</b>									
<b>A.1. Environmentally sustainable activities (taxonomy-aligned)</b>									
Opex for environ- mentally sustainable activities (taxonomy-aligned) (A.1)		0.0	0.0%	-	-	-	-	-	-
of which enabling activity				-	-	-	-	-	-
of which transitional activity				-	-	-	-	-	-
<b>A.2 Taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned)</b>									
				EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>	EL; N/EL <sup>3</sup>
Opex for taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Opex for taxonomy eligible activities (A.1 + A.2)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>B. Taxonomy-non-eligible activities</b>									
Opex for taxonomy- non-eligible activities (B)		1,619.3	100.0%						
<b>Total (A+B)</b>		<b>1,619.3</b>	<b>100.0%</b>						

<sup>1</sup> The code represents the abbreviation of the relevant objective to which the economic activity can make a significant contribution (for example: CCM - Climate Change Mitigation) and the number of the section of the activity in the relevant Annex to the Taxonomy Regulation that covers the objective

<sup>2</sup> Y – Yes, activity that is taxonomy aligned with the relevant environmental objective; N – No, activity that is taxonomy eligible but not taxonomy aligned with the relevant environmental objective; N/EL – “not eligible”, activity not taxonomy eligible for the relevant environmental objective

<sup>3</sup> EL: “eligible”, activity taxonomy eligible for the respective objective; N/EL: “not eligible”, activity not taxonomy eligible for the respective objective

DNSH criteria ("do no significant harm")										
Climate protection (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy aligned (A.1.) or taxonomy eligible (A.2.) opex 2022 <sup>2</sup>	Category: enabling activity (20)	Category: transitional activity (21)	
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-



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## Consolidated Income Statement

EUR thousand	Note	01/01/2023– 12/31/2023	01/01/2022– 12/31/2022
Sales revenues	6.1	77,062	68,940
Cost of sales	6.2	-48,818	-66,205
<b>Gross profit on sales</b>		<b>28,244</b>	<b>2,735</b>
Other income	6.3	1,657	2,767
Marketing and selling expenses	6.4	-10,575	-10,486
Administrative expenses	6.5	-20,353	-19,877
Other expenses	6.6	-965	-1,133
Impairment losses on trade and other receivables	6.7	-1,128	-1,290
<b>Operating result (EBIT)</b>		<b>-3,120</b>	<b>-27,283</b>
Financial income	6.8	1,020	1,766
Financial expenses	6.9	-2,382	-2,776
Result from companies accounted for using the equity method	12	140	0
<b>Earnings before taxes</b>		<b>-4,342</b>	<b>-28,293</b>
Income tax income	6.10	2,310	908
<b>Result for the period after taxes</b>		<b>-2,033</b>	<b>-27,384</b>
<b>Attribution of the result for the period to the</b>			
Owners of the parent company		-1,865	-27,087
Minority interests		-168	-298
<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	9.4	-0.12	-1.71



## Consolidated Statement of Comprehensive Income

EUR thousand	Note	01/01/2023– 12/31/2023	01/01/2022– 12/31/2022
<b>Periodenergebnis</b>		<b>-2,033</b>	<b>-27,384</b>
<b>Other result</b>			
Difference from currency translation	2.3	730	-1,056
<b>Other comprehensive income to be reclassified to the income statement in subsequent periods</b>		<b>730</b>	<b>-1,056</b>
Reassessment of a defined benefit plan	7.2.4	0	36
Income tax effect	7.2.4	0	-12
<b>Other comprehensive income not to be reclassified to the income statement in subsequent periods</b>		<b>0</b>	<b>25</b>
<b>Total comprehensive income after taxes</b>		<b>-1,302</b>	<b>-28,416</b>
Attribution of total comprehensive income after taxes to the			
Owners of the parent company		-1,048	-28,146
Minority interests		-254	-270

## Consolidated Balance Sheet

### Assets

EUR thousand	Note	12/31/2023	12/31/2022
<b>Non-current assets</b>			
Goodwill	7.1.1	38,106	39,491
Other intangible assets	7.1.2	17,286	18,647
Property, plant and equipment	7.1.3	25,288	24,433
Right-of-use assets	7.1.4	12,169	11,393
Shares in associated companies	4.2	592	414
Other financial assets	7.1.8	1,072	1,045
Other non-financial assets	7.1.9	1,704	1,719
Deferred tax assets	6.10	10,401	9,634
Contract assets	7.1.6	8,984	3,088
Trade receivables	7.1.7	395	580
		<b>115,998</b>	<b>110,443</b>
<b>Current assets</b>			
Inventories	7.1.5	3,405	3,891
Trade receivables	7.1.7	12,856	12,751
Income tax receivables	6.10	1,522	1,841
Contract assets	7.1.6	4,028	2,701
Other financial receivables and assets	7.1.8	1,614	1,943
Other non-financial receivables and assets	7.1.9	1,518	1,647
Cash and cash equivalents	7.1.10	17,416	16,290
		<b>42,358</b>	<b>41,065</b>
<b>Total Assets</b>		<b>158,357</b>	<b>151,508</b>

**Equity & Liabilities**

EUR thousand	Note	12/31/2023	12/31/2022
<b>Equity</b>			
Subscribed capital	7.2.1	17,640	16,036
Capital reserves	7.2.1	42,354	36,960
Loss carryforwards	7.2.1	-31,329	-30,663
Other reserves	7.2.1	-2,291	-3,021
Treasury shares	7.2.1	-2,813	-2,813
Non-controlling interests	7.2.1	-786	-648
		<b>22,776</b>	<b>15,852</b>
<b>Non-current liabilities</b>			
Interest-bearing loans	7.2.2	3,387	1,724
Leasing liabilities	8.	10,380	10,331
Deferred grants	7.2.5	642	723
Contract liabilities	7.2.7	59,420	45,892
Other provisions	7.2.3	400	320
Deferred tax liabilities	6.10	3,792	5,126
Other financial liabilities	7.2.9	1,381	3,012
		<b>79,401</b>	<b>67,129</b>
<b>Current liabilities</b>			
Trade payables	7.2.8	9,886	8,056
Other provisions	7.2.3	5	5
Income tax liabilities	6.10	216	371
Interest-bearing loans	7.2.2	5,079	13,779
Lease liabilities	8.	2,729	2,357
Deferred grants	7.2.5	206	256
Repayment obligations	7.2.6	25,354	24,470
Contract liabilities	7.2.7	7,208	13,853
Other financial liabilities	7.2.9	1,401	1,778
Other non-financial liabilities	7.2.10	4,095	3,603
		<b>56,180</b>	<b>68,527</b>
<b>Total Equity &amp; Liabilities</b>		<b>158,357</b>	<b>151,508</b>

## Consolidated Statement of Changes in Group Equity

EUR thousand	Equity attributable to the owners of the parent company			
	Subscribed capital	Capital reserves	Loss carryforwards	Reserves for available-for-sale financial assets
<b>Status 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	-27,087	0
Other result	0	0	0	0
<b>Overall result</b>	<b>0</b>	<b>0</b>	<b>-27,087</b>	<b>0</b>
Transaction with minorities	0	0	1,565	0
First-time application of IAS 29	0	0	-22	0
<b>Balance as of December 31, 2022</b>	<b>16,036</b>	<b>36,960</b>	<b>-30,663</b>	<b>-24</b>
<b>Status 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	-1,865	0
Other result	0	0	0	0
<b>Overall result</b>	<b>0</b>	<b>0</b>	<b>-1,865</b>	<b>0</b>
Transaction with minorities	0	0	1,109	0
Capital increases	1,604	5,394	0	0
Share price-based remuneration program	0	0	99	0
Distributions	0	0	0	0
Application of IAS 29	0	0	-8	0
<b>Balance as of December 31, 2023</b>	<b>17,640</b>	<b>42,354</b>	<b>-31,329</b>	<b>-24</b>

		Equity attributable to the owners of the parent company					
Revaluation reserves	Currency translation differences	Total equity	Treasury shares at acquisition costs	Non-controlling interests	Total equity		
-147	-1,819	45,888	-2,813	-1,133	41,942		
0	0	-27,087	0	-298	-27,384		
25	-1,056	-1,032	0	28	-1,004		
25	-1,056	-28,119	0	-270	-28,389		
0	0	1,566	0	755	2,322		
0	0	-20	0	0	-20		
-122	-2,875	19,313	-2,813	-648	15,853		
-122	-2,875	19,313	-2,814	-648	15,852		
0	0	-1,865	0	-168	-2,033		
0	730	730	0	-86	644		
0	730	-1,134	0	-254	-1,388		
0	0	1,109	0	122	1,231		
0	0	6,997	0	0	6,997		
0	0	99	0	0	99		
0	0	0	0	-7	-7		
0	0	-8	0	0	-8		
-122	-2,145	26,375	-2,814	-786	22,776		

## Consolidated Cash Flow Statement

EUR thousand	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
<b>Cash flow from operating activities</b>	<b>8</b>		
Result for the period before income taxes		-4,342	-28,293
Adjustments for:			
Depreciation and amortization		8,562	8,550
Impairments		128	15,169
Losses/gains on the disposal of non-current assets		711	-21
Other non-cash expenses/income		853	98
Financial income	6.8	-1,020	-1,766
Financial expenses	6.9	2,382	2,776
Changes in net working capital:			
+/- Inventories		486	-593
+/- Receivables and other assets		574	-1,230
+/- Contract assets		-7,222	-1,889
-/+ Debts		339	-1,149
-/+ Contract and repayment liabilities		7,743	5,897
-/+ Provisions		79	-6
Interest paid		-958	-1,017
Income taxes paid		840	-1,012
<b>Cash flow from operating activities</b>		<b>9,154</b>	<b>-4,486</b>
<b>Cash flow from investing activities</b>			
Purchase of intangible assets	7.1.2	-682	-565
Purchase of property, plant and equipment	7.1.3	-3,409	-5,866
Purchase of non-current financial investments		0	-834
Proceeds from the sale of property, plant and equipment	7.1.3	276	173
Proceeds from the sale of financial investments		145	683
Interest received		97	597
<b>Cash flow from investing activities</b>		<b>-3,574</b>	<b>-5,811</b>

EUR thousand	Note	01/01/2023 – 12/31/2023	01/01/2022 – 12/31/2022
<b>Cash flow from financing activities</b>			
Proceeds from the issue of shares	7.2.1	6,997	0
Transaction with non-controlling shareholders		-1,230	2,386
Dividend distributions		-7	0
Proceeds from taking out financial loans	7.2.2	13,572	174
Payments for the repayment of financial loans	7.2.2	-21,364	-6,496
Payments for leases	7.1.4	-2,989	-2,632
Proceeds from grants received	7.2.5	-68	295
<b>Cash flow from financing activities</b>		<b>-5,088</b>	<b>-6,273</b>
Net changes in cash and cash equivalents		492	-16,570
Cash and cash equivalents at the beginning of the reporting period	7.1.10	16,290	33,298
Exchange rate-related change in cash and cash equivalents		634	-439
<b>Cash and cash equivalents at the end of the reporting period</b>	7.1.10	<b>17,416</b>	<b>16,290</b>

# Notes to the Consolidated Financial Statements for the Fiscal Year 2023

## 1. GENERAL INFORMATION

Vita 34 AG (the “Company”), with its registered office in Leipzig (Germany), Deutscher Platz 5a, is registered in the Commercial Register of the Local Court of Leipzig under the number HRB 20339. The object of the Company and its subsidiaries (together with the Company referred to as the “Group”) is the collection, storage and distribution of cells, tissues, blood and blood components for the purpose of medical applications. In addition, the Group is active in the development of products and drugs based on cells, tissues and blood for the purpose of medical applications. This also includes the production and manufacturing of viral vectors and CAR-T cells.

The declaration on the German Corporate Governance Code required by § 161 of the German Stock Corporation Act was issued on April 26, 2024, and made available to shareholders on the website [www.vita34group.de](http://www.vita34group.de).

The consolidated financial statements of Vita 34 AG for the fiscal year ended December 31, 2023, were released for publication by the Management Board on April 25, 2024. The approval by the Supervisory Board took place on April 26, 2024.

## 2. ACCOUNTING AND VALUATION PRINCIPLES

### 2.1 FUNDAMENTALS OF PREPARATION

The consolidated financial statements of Vita 34 AG were prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) valid on the reporting date, as applicable in the EU, and the supplementary commercial law provisions to be observed pursuant to § 315e (1) HGB. All IFRSs mandatory for the fiscal year 2023 and the pronouncements of the International Financial Reporting Interpretations Committee (IFRIC) have been applied insofar as they have been endorsed by the European Union. In addition, all legal disclosure and explanation requirements of the German Commercial Code (HGB) that go beyond the regulations of the IASB have been fulfilled.

The consolidated financial statements of Vita 34 AG are generally prepared on the basis of amortized cost in euros. This does not apply to financial assets measured at fair value. Unless otherwise indicated, all values are rounded to the nearest thousand euros (EUR thousand).

The “Vita 34 Group” (hereinafter “Vita 34” or “Vita 34 Group”) was created with effect from November 8, 2021, from the merger of Vita 34 AG and its subsidiaries (hereinafter “subgroup Vita 34”) and Polski Bank Komórek Macierzystych Sp. z o.o., Poland, and its subsidiaries (hereinafter “subgroup PBKM”) and comprises the business activities of these two subgroups, divided into the two company segments “subgroup Vita 34” and “subgroup PBKM”.

The consolidated financial statements were also prepared on the basis of the going concern assumption, which assumes that the Group is able to meet its liabilities, including the mandatory repayment terms of the credit lines, on time. Follow-up financing tailored to the Group as a whole was concluded in the fiscal year. This became necessary as credit lines expired in both subgroups in the fiscal year. The Group can also manage its investment decisions in line with demand to further secure its solvency. In addition, offers to switch from annual payment contracts to prepayment contracts are placed in individual markets to strengthen short-term liquidity.

Potential sustainability risks, particularly those relating to climate change are analyzed by the Management Board on an ongoing basis and considered in the measurement of assets and liabilities and in the disclosures on significant discretionary decisions and estimation uncertainties in the financial statements. The Management Board has not identified any significant risks for its business model in this context. Therefore, Vita 34 does not currently expect any material effects of sustainability risks on the financial statements.



## 2.2 CONSOLIDATION PRINCIPLES

The consolidated financial statements comprise the financial statements of Vita 34 AG, its subsidiaries and associated companies as of December 31 of each fiscal year. The financial statements of the subsidiaries and associated companies are prepared as of the same balance sheet date as the financial statements of the parent company, using uniform accounting and valuation principles ("Group Accounting Policies").

### Subsidiaries

The direct and indirect capital shares of Vita 34 AG in the subsidiaries also correspond to the share of voting rights, unless otherwise indicated. The contributions of the non-consolidated companies to the Group's consolidated sales, consolidated earnings and balance sheet total were not considered material. These companies were therefore not included in the consolidated financial statements.

The consolidated financial statements include the subsidiaries over which the Company exercises control. In particular, the Group controls a company when it has all the following characteristics:

- control over the company (i.e., the Group has the ability to direct those activities of the company that have a significant effect on its returns based on currently existing rights),
- a risk exposure to, or entitlement to, fluctuating returns from its investment in the company; and
- the ability to use its executive power over the company in such a way that it affects the company's return on investment.

If the Group does not hold a majority of the voting rights or similar rights in a company, it considers all relevant facts and circumstances when assessing whether it has control over the company. These include:

- a contractual agreement with the other voters,
- rights resulting from other contractual agreements,
- voting rights and potential voting rights of the Group.

If facts and circumstances indicate that one or more of the three elements of control have changed, the Group must reassess whether it controls a company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

### Associated companies

An associated company is a company over which the Group has significant influence, and which is not a subsidiary. Significant influence is the power to participate in the financial and operating policy decisions of the company in which the investment is held. This does not constitute control or joint control over the decision-making processes.

The results, assets and liabilities of associated companies are to be included using the equity method.

Under the equity method, investments in associated companies are included in the consolidated balance sheet at acquisition cost, adjusted for changes in the Group's share of profit or loss and other comprehensive income of the associated company after the date of acquisition.

An investment in an associated company is accounted for from the date on which the criteria for an associated company are met. Any excess of the acquisition cost of the investment over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. Under the equity method, goodwill is included in the carrying amount of the investment and is not tested separately for impairment.

The application of the equity method is terminated at the time when its investment no longer constitutes an associated company.

#### **Business combinations under common control**

For business combinations under common control, both the book value continuation method and the revaluation method can be applied. The Group decides on a case-by-case basis which method results in an accurate presentation in the consolidated financial statements. The Group also decides on a case-by-case basis whether to apply the book value continuation method retrospectively or prospectively.

To date, the Group prospectively applied the book value method for business combinations under common control.

The determination of whether an investor has joint control of the companies involved in the business combination is based on an analysis of existing voting rights, other contractual rights and other circumstances.

Under the book value accounting method, the assets and liabilities of the acquired company are not revalued. Instead, the assets and liabilities of the acquired company are carried forward. The difference between the consideration paid and the book assets received is recognized in capital reserve.

The transaction costs incurred are reflected in expenses.

#### **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method if the acquired group of activities and assets meets the definition of a business and the Group has obtained control. In determining whether a particular group of activities and assets is a business, the Group assesses whether the group of acquired assets and activities comprises at least one resource input and one substantive process and whether the acquired group is capable of producing outputs. The cost of a business combination is measured as the aggregate of the consideration transferred, measured at the acquisition-date fair value of the assets given, and the non-controlling interest in the acquired company. The consideration transferred includes:

- the fair values of the assets transferred,
- the fair value of an asset or a liability arising from a contingent consideration arrangement; and
- the fair value of an existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred within administrative expenses.

Non-controlling interests are measured at the proportionate fair value of the assets acquired and liabilities assumed. After initial recognition, profits and losses are allocated without limitation in proportion to the interest held, which may also result in a negative balance for non-controlling interests.

When the Group acquires a company, it assesses the appropriate classification and designation of the financial assets acquired and liabilities assumed in accordance with the contractual terms, economic circumstances and conditions prevailing at the acquisition date.

Goodwill is initially measured at acquisition cost being the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed by the Group. In the case of an acquisition at a price below fair value, the resulting gain is recognized in other income. Before recognizing a gain on an acquisition for less than fair value, it is again assessed whether all assets acquired, and all liabilities assumed have been correctly identified and measured.

After initial recognition, goodwill is measured at acquisition cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination. A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This applies irrespective of whether other assets or liabilities of the acquired company are allocated to these cash-generating units.

For goodwill, the Group assesses at each reporting date whether there is any indication that goodwill may be impaired. Goodwill is tested for impairment at least once a year. A review is also performed if events or circumstances indicate that the value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill has been allocated. If the recoverable amount of the cash-generating unit is less than the carrying amount of this unit, an impairment loss is recognized. Impairment losses recognized for goodwill may not be reversed in subsequent reporting periods.

#### Transactions eliminated on consolidation

Intragroup balances and transactions, and all unrealized income and expenses (other than income and expenses arising from foreign currency transactions) relating to intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains on transactions with companies accounted for using the equity method are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same manner as unrealized gains, but only if there is no indication of impairment.

### 2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the parent company and the reporting currency of these consolidated financial statements is the euro (EUR). The functional currency of foreign subsidiaries is the currency of the country in which the companies operate.

In preparing the financial statements of each of the Group companies, transactions denominated in currencies other than the functional currency of the Group company (foreign currencies) are translated using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated using the closing rate. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured at acquisition or production cost are translated using the exchange rate at the date of initial recognition.

Translation differences arising from monetary items are recognized in profit or loss in the period in which they occur.

Translation differences from non-monetary items are treated differently. If gains or losses from a non-monetary item are recognized directly in other comprehensive income, the translation difference is also recognized directly in equity. If gains or losses from a non-monetary item are recognized in profit or loss, the translation difference is also recognized in profit or loss.

For preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into euros (EUR) using exchange rates prevailing at the reporting date. Income and expenses are translated at the average exchange rate for the period unless the exchange rates for the period have fluctuated significantly. In this case, the exchange rates at the date of the transaction are used. Exchange differences arising from the translation of foreign operations into the Group currency are recognized in other comprehensive income and accumulated in the foreign currency translation reserve.

On disposal of a foreign operation, all accumulated translation differences attributable to the Group from that operation are reclassified to profit or loss. The following transactions are considered to be disposals of foreign operations:

- the disposal of the entire Group interest in a foreign operation,
- a partial disposal with loss of control over foreign subsidiaries or
- a partial disposal of an interest in a joint arrangement or an associated company that includes a foreign operation.

When parts of a subsidiary that includes a foreign operation are disposed of without loss of control, the share of the amount of exchange differences attributable to the disposed interest is allocated to non-controlling interests from the date of disposal. However, in the case of a partial disposal of shares in associated companies or joint arrangements without a change in status, the corresponding share of the amount of the translation differences is reclassified to profit or loss.

The exchange rates of the foreign currencies relevant for the Group developed as follows:

Currency rates	Closing rate		Average price	
	12/31/2023	12/31/2022	2023	2022
EUR 1 =				
PLN	4.34	4.68	4.54	4.69
RON	4.97	4.95	4.95	4.93
HUF	382.10	400.87	381.85	391.29
TRY	32.57	19.96	25.76	17.41
CHF	0.93	0.98	0.97	1.00
USD	1.10	1.07	1.08	1.05
DKK	7.46	7.44	7.45	7.44
GBP	0.87	0.89	0.87	0.85
AED	4.05	3.94	3.97	3.87
HKD	8.63	8.32	8.47	8.25

To reflect changes in purchasing power at the balance sheet date, the carrying amounts of non-monetary assets and liabilities, equity attributable to shareholders, and other comprehensive income of the subsidiaries in hyperinflationary economies are translated into the measuring unit current at the balance sheet date. This is done based on a general price index in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". In contrast, no translation is required for monetary assets and liabilities already measured in the measuring unit applicable at the balance sheet date, as these represent cash held, to be received or paid.

Turkey has been classified as a hyperinflationary economy since April 1, 2022. Consequently, the provisions of IAS 29 "Financial Reporting in Hyperinflationary Economies" are relevant for our subsidiary in Turkey. Accordingly, the financial statements of a company whose functional currency is that of a hyperinflationary economy, regardless of whether they are based on the historical acquisition and production cost approach or the current cost approach, must be stated in the measuring unit applicable on the balance sheet date. Certain procedures must be applied to adjust the financial statements. Amounts in the balance sheet that are not yet stated in the measuring unit applicable on the balance sheet date are adjusted using a general price index. For translation into the presentation currency (euro), all amounts are translated at the closing rate as of December 31, 2023.

To reflect changes in purchasing power on the balance sheet date, the carrying amounts of non-monetary assets and liabilities, equity and total comprehensive income of subsidiaries in hyperinflationary economies are adjusted based on a measuring unit applicable on the balance sheet date. These are indexed using a general price index in accordance with IAS 29.

Some of these non-monetary items are carried at the amounts applicable on the balance sheet date, for example at net realizable value and fair value, and are therefore not adjusted. All other non-monetary assets and liabilities are adjusted. Most non-monetary items are carried at cost or amortized cost and are therefore recognized at the amount applicable at the time of acquisition. The adjusted or amortized cost of each item is determined by applying to the historical cost and accumulated depreciation the change in a general price index that occurred between the acquisition date and the balance sheet date. Property, plant and equipment, inventories of raw materials and supplies, goodwill, patents, trademarks and similar assets are thus adjusted from their acquisition date. Inventories of semi-finished and finished goods are adjusted from the date on which the acquisition and production costs were incurred. The adjusted value of a non-monetary item is reduced accordingly if it exceeds the recoverable amount. In such cases, the adjusted value is therefore reduced to the recoverable amount for property, plant and equipment, goodwill, patents and trademarks and to the net realizable value for inventories.

Non-monetary assets that have been adjusted in accordance with the guidelines in IAS 29 continue to be subject to an impairment assessment in accordance with the guidelines in the relevant IFRS.

Monetary items are not adjusted as they are already stated in the monetary unit applicable on the balance sheet date. Monetary items are cash and cash equivalents or items for which the company pays or receives money.

All items in the income statement must be stated in the measuring unit applicable on the balance sheet date. This means that all amounts must be adjusted using the general price index from the date on which the respective income and expenses were first recognized in the financial statements.

The application of IAS 29 is immaterial to the Group's profitability, liquidity, capital resources and financial position for the fiscal year. The specific factors used to apply IAS 29 are listed in the table below.

	Tüketici fiyat endeks rakamları
Consumer price index	
Index as of December 31, 2023	1,859.38
Index as of December 31, 2022	1,128.45
<b>Adjustment factor</b>	<b>1.6477</b>

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

EUR thousand	EUR thousand
<b>Non-current assets</b>	<b>759</b>
Goodwill	274
Intangible assets	56
Property, plant and equipment	430
<b>Current assets</b>	<b>25</b>
Inventories	25
<b>Equity</b>	<b>124</b>
Retained earnings	164
Other reserves	-40
<b>Current liabilities</b>	<b>-766</b>
Contract liabilities	-669
Other liabilities	-97
<b>Income Statement</b>	<b>-183</b>
Sales revenue	-773
Cost of sales	678
Financial income	-88

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING AND VALUATION PRINCIPLES

### 2.4.1 Acquisition cost principle

The consolidated financial statements are generally prepared using the acquisition cost principle. This does not apply to derivative financial instruments and certain non-derivative financial assets, which are measured at fair value.

### 2.4.2 Measurement of the fair value

All assets and liabilities for which fair value is reported in the financial statements are categorized in the fair value hierarchy described below based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value observation as a whole is directly or indirectly observable in the market,
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value observation as a whole is unobservable in the market.

For assets and liabilities recognized in the financial statements on a recurring basis, the Group determines whether reclassifications between levels in the hierarchy have occurred by reviewing the classification (based on the lowest level input that is significant to the fair value observation as a whole) at the end of each reporting period.

### 2.4.3 Research and development costs

Research costs are recognized as an expense in the period in which they are incurred. Development costs incurred as part of an individual project are capitalized if they meet the recognition criteria of IAS 38.

It is the consensus view that companies conducting research on biosimilar drugs should not capitalize the expenses associated with this work until regulatory approval has been received or is imminent. In the case of development work related to the development of a new product or manufacturing process in the pharmaceutical industry, the granting of regulatory approval is appropriate evidence of the technical feasibility of completing the intangible asset and bringing it to market. As a result, only a small portion of the expenditure for the development of a new product or production process can be capitalized.

After initial recognition, development costs are carried at acquisition cost less accumulated amortization and accumulated impairment losses. Amortization commences on completion of the development phase and from the date on which the asset is available for use. They are recognized over the period of expected future benefit and are included in cost of sales. An impairment test is performed annually during the development phase.

#### 2.4.4 Intangible assets

Individually acquired intangible assets that are not acquired in a business combination are initially measured at acquisition cost. The acquisition cost of intangible assets acquired in a business combination is their fair value at the acquisition date. After initial recognition, intangible assets are carried at acquisition cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each fiscal year-end. If there has been a change in the expected useful life of the asset or in the expected pattern of consumption of the future economic benefits embodied in the asset, the asset is amortized over a different period or using a different amortization method. Such changes are treated as changes in an accounting estimate. Amortization of intangible assets with finite useful lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

The accounting policies applied to the Group's intangible assets (excluding goodwill) are summarized as follows:

	Development costs	Patents and licenses	Acquired contracts	Customer relationships and brand names
Useful lives	Finite useful life, amortization over the expected product life cycle of 5 years	Finite useful life, amortization over the expected useful life of 2 to 15 years	Finite useful life, amortization over the expected term of the contracts, up to which the majority of the expected cash inflows will be collected (12 to 20 years)	Finite useful life, amortization over the expected term of 2 to 23 years
Amortization method used	Amortization is calculated using the straight-line method over the expected useful life			
Internally created or acquired	Internally created	Acquired	Acquired	Acquired

Intangible assets with indefinite useful lives, as well as acquired and internally generated intangible assets not yet ready for use, are not amortized, but tested for impairment on an ad hoc basis or at least once a year.

Gains or losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period in which the item is derecognized.

#### 2.4.5 Property, plant and equipment

Property, plant and equipment that is not acquired as part of a business combination is recognized at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment acquired as part of a business combination corresponds to its fair value at the time of acquisition.

Property, plant and equipment under construction is measured at the amount of the total costs directly attributable to its acquisition or construction, including financing costs, less any impairment losses. Assets under construction are not depreciated until their construction is complete and they are available for use.

Costs incurred after an item of property, plant and equipment is ready for use, such as costs for repairs, overhauls, maintenance or operating costs, are recognized in the income statement in the reporting period in which they are incurred. If it can be demonstrated that the capitalization criteria are met for costs incurred after the initial recognition of an item of property, plant and equipment, these costs increase the original value of the item of property, plant and equipment.

Depreciation begins when an asset is available for use. Scheduled straight-line depreciation is based on the estimated useful lives of the assets. Depreciation is discontinued when the asset is classified as held for sale or derecognized from the balance sheet.

Overview of the useful lives of assets:

	Useful life
Building	10 to 40 years
Laboratory equipment	5 to 20 years
Cryogenic tanks	25 years
Cryogenic tank accessories	25 years
Vehicles	2 to 7 years
Office and business equipment	3 to 20 years

The carrying amounts of property, plant and equipment are tested for impairment as soon as there are indications that the carrying amount of an asset exceeds its recoverable amount.

The residual values of assets, useful lives and depreciation methods are reviewed at the end of each fiscal year and adjusted if necessary.



#### 2.4.6 Leases

Leases are accounted for in accordance with IFRS 16 (Leases). Under IFRS 16, lessees are generally required to recognize rights and obligations arising from leases in their balance sheets. Lessees recognize the right to use a leased asset ("right-of-use asset") under non-current assets and a corresponding lease liability.

When concluding a contract, the Group assesses whether this contract contains a lease, i.e. the right to control the use of an identified asset for a certain period of time in return for payment. For all leases, the Group recognizes assets for the right to use the leased assets and liabilities for the payment obligations resulting from the leases. Exceptions to this are short-term leases and leases of low-value assets, for which the payments are recognized as an expense in the income statement on a straight-line basis using the practical expedients in IFRS 16.

##### Right-of-use assets

The Group recognizes right-of-use assets from leases from the date on which the asset in question is available for use. Right-of-use assets are measured at amortized cost less accumulated depreciation and impairment losses.

Changes from the remeasurement of lease liabilities are recognized in the carrying amount of the right-of-use asset. The acquisition costs include the value of the recognized lease liability plus the lease payments made prior to provision, initial direct costs and restoration obligations less lease incentives received. After initial recognition, the Group measures a right-of-use asset in a similar way to other non-current non-financial assets, i.e. it recognizes the amortization of the right-of-use asset and any impairment losses. Right-of-use assets are amortized on a straight-line basis over the lease term.

Leasing agreements exist at Vita 34 as lessee, particularly in connection with real estate and transportation equipment.

Overview of the useful lives of the rights of use:

	Useful life
Buildings, premises and engineering structures	10 to 20 years
Vehicles	2 to 5 years

##### Lease liabilities

The Group recognizes lease liabilities from the date on which the asset in question is available for use. The lease liability is measured at the present value of the lease payments to be made over the term of the lease.

Lease payments include:

- fixed payments less lease incentives to be paid by the lessor,
- variable payments,
- expected payments from residual value guarantees,
- the exercise price of a call option (if the exercise was deemed sufficiently certain) and
- contractual penalties on termination of a lease.

Lease payments are discounted using the interest rate on which the lease is based, if determinable. Otherwise, they are discounted using the lessee's incremental borrowing rate.

The lessee's incremental borrowing rate is the sum of the risk-free interest rate and the Group companies' credit risk premium, quantified based on the range of margins available to the Group companies for investment credit facilities that are adequately secured by the companies' assets.

Insofar as leases contain extension or termination options, changes to the term resulting from these options are only taken into account if the exercise or non-exercise of such options is reasonably certain.

The carrying amount of a lease liability is remeasured if there is a change in the lease (e.g. regarding the amount of the lease payments or the term of the lease).

#### 2.4.7 Financial assets

##### Initial recognition and measurement of financial assets

In accordance with IFRS 9, financial assets are classified into the following measurement categories:

- (1) Financial assets at amortized cost (debt instruments)
- (2) Financial assets measured at fair value through other comprehensive income (debt instruments)
- (3) Financial assets measured at fair value through other comprehensive income (equity instruments)
- (4) Financial assets measured at fair value through profit or loss

The classification of financial assets on initial recognition depends on the characteristics of the cash flow conditions and the business model conditions of the financial asset. When financial assets are initially recognized, they are measured at fair value. In the case of financial assets that are not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are also included. Transaction costs in connection with financial assets measured at fair value through profit or loss are recognized in the income statement. The Group determines the classification of its financial assets upon initial recognition. Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

Regular way purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which an asset is delivered to or by the company. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a period established by regulation or convention in the marketplace.

##### Subsequent measurement of financial assets

- (1) Financial assets at amortized cost (debt instruments)

The Group classifies financial assets in this category if the following conditions are met:

- The financial asset is held to collect the contractual cash flows as part of the Group's business model and is measured at amortized cost.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are measured using the effective interest method and assessed for impairment. Non-current non-interest-bearing receivables are discounted using a market interest rate with an equivalent term. Gains and losses from financial assets at amortized cost are recognized in the income statement.

Financial assets at amortized cost mainly include trade receivables and loans whose cash flows from these loans consist exclusively of principal and interest payments.

(2) Financial assets measured at fair value through other comprehensive income (debt instruments)

The Group classifies financial assets in this category if the following conditions are met:

- The financial asset is held to collect the contractual cash flows as part of the Group's business model and
- the contractual terms of the financial asset result in cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Gains and losses from financial assets measured at fair value through other comprehensive income are recognized in other comprehensive income. This does not include impairment losses and income, interest from the application of the effective interest method and gains and losses from currency translation. If the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to the income statement.

The financial assets from debt instruments measured at fair value through other comprehensive income include securities investments, which are reported under non-current assets.

(3) Financial assets measured at fair value through other comprehensive income (equity instruments)

On initial recognition, the Group may decide to irrevocably classify its investments as investments measured at fair value through other comprehensive income if they meet the definition of equity under IAS 32 and are not held for trading. The classification is made individually for each instrument.

Gains and losses from such financial assets are recognized in other comprehensive income and are not subsequently transferred to the income statement.

The financial assets from equity instruments measured at fair value through other comprehensive income include the other investments listed in section 4, insofar as this classification was selected.

(4) Financial assets measured at fair value through profit or loss

All financial assets that are not measured at amortized cost or at FVOCI (for example, derivative financial instruments, financial assets with cash flows that are not solely payments of principal and interest that are held for trading and those that are managed and their performance is evaluated on a fair value basis) are measured at FVTPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near future. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets in this category are recognized in the balance sheet at fair value, with the net changes in fair value being recognized in the income statement.

The financial assets measured at fair value through profit or loss mainly include derivatives and investments in shares.

Derecognition of financial assets

A financial asset is derecognized when the right to receive cash flows from the financial asset expires or the financial asset is transferred.

#### Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments that are not measured at fair value through profit or loss. ECLs are based on the difference between the agreed cash flows in accordance with the respective contract and the discounted expected cash flows.

ECLs are determined in three stages. For credit risks that have not increased significantly since initial recognition, ECLs are recognized for credit losses resulting from default events that are possible within the next twelve months (12-month ECL). For credit risks that have increased significantly since initial recognition, an allowance for expected credit losses is recognized over the remaining term of the exposure regardless of the time of default (lifetime ECL). In addition, specific findings available in individual cases are included in the measurement of credit risks.

For trade receivables without a financing component, the Group applies a simplified approach to calculating ECLs. Therefore, the Group does not track changes in credit risk, but recognizes an allowance based on lifetime ECLs at each reporting date. The Group has created an impairment matrix based on its experience in the area of historical credit risk, adjusted for forward-looking factors that are specific to the debtors and the economic environment.

For debt instruments measured at fair value through other comprehensive income, the Group assesses at each reporting date whether the debt instrument has a low credit risk, taking into account all reasonable and supportable information that is available without undue effort or cost. In this approach, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group believes that the credit risk has increased significantly if contractual payments are more than 30 days overdue.

#### **2.4.8 Financial liabilities**

##### Initial recognition and measurement of financial liabilities

The Group's financial liabilities include trade payables and other liabilities as well as loans and credits.

All financial liabilities are initially recognized at fair value and, in the case of loans and liabilities, less directly attributable transaction costs.

Liabilities from put options held by minority shareholders that are not traded on an active market are recognized at the present value of the repurchase amount. The initial recognition of put options of minority shareholders is made against non-controlling interests.

##### Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification as described below:

###### (1) Financial liabilities measured at amortized cost

After initial recognition, these liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized and as part of the amortization process of the effective interest method.

Amortized cost is calculated taking into account any discount or premium on the acquisition and any fees or costs that are an integral part of the effective interest rate. The amortization of the effective interest method is recognized as financing costs in the income statement.

This category applies to interest-bearing loans, trade payables and other financial liabilities.

The subsequent measurement of put liabilities is based on the best possible estimate of the potential repurchase obligation as of the reporting date.

(2) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss comprise financial liabilities held for trading and financial liabilities classified as measured at fair value through profit or loss upon initial recognition.

In the Group, this category includes derivatives and contingent considerations that are recognized as part of a business combination.

All gains or losses resulting from the measurement of these financial liabilities are recognized in profit or loss unless they are part of a designated hedging relationship.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognized in the income statement.

**2.4.9 Inventories**

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the first-in, first-out allocation method.

The net realizable value is the realizable selling price on the balance sheet date less value added tax and excise duties, discounts, rebates and other similar items as well as the costs necessary for the sale.

In addition to production materials and production wages, the production costs for work in progress also include appropriate portions of the overheads of the production area and depreciation, insofar as they are attributable to the production area. Administrative and distribution costs as well as interest are not included.

**2.4.10 Cash and cash equivalents**

Cash and cash equivalents and short-term deposits in the balance sheet comprise cash on hand, bank balances and short-term deposits with original maturities of no more than three months. Cash and cash equivalents that are not freely available are reported separately.

For the purposes of the cash flow statement, cash and cash equivalents comprise the cash and cash equivalents and short-term deposits defined above.

**2.4.11 Treasury shares**

If the Group acquires treasury shares, these are recognized at cost and deducted from equity. The purchase, sale, issue or redemption of treasury shares is recognized directly in equity. Any differences between the carrying amount and the consideration are recognized directly in equity.

**2.4.12 Provisions**

A provision is recognized when the Group has a present obligation (legal, contractual or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the Group expects at least a partial reimbursement for a provision recognized as a liability, the reimbursement is only recognized as a separate asset if the reimbursement is virtually certain. The expense for recognizing the provision is reported in the income statement after deduction of the reimbursement. If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the risks specific to the liability and market assessments of the time value of money. In the case of discounting, the increase in provisions due to the passage of time is recognized as interest expense.

#### 2.4.13 Pension provisions

As part of a business combination in 2012, the company took over a pension agreement and the reinsurance policies concluded in this context. The company made contributions to an insurance company for this pension obligation. The amount of the pension obligation is determined using the actuarial projected unit credit method. The company recognizes actuarial gains and losses in full in other comprehensive income in the reporting period in which they occur. Actuarial gains and losses are recognized immediately in retained earnings and are not reclassified to profit or loss in subsequent years.

The amount to be recognized as a liability from a defined benefit plan includes the present value of the defined benefit obligation (using a discount rate based on first-class, fixed-interest corporate bonds; see section 7.2.4) and the fair value of the plan assets available for the direct fulfilment of obligations. Plan assets include qualifying insurance policies. The plan assets are protected from access by creditors of the Group and cannot be paid directly to the Group. The fair value is based on information about the market price. The value of a recognized asset of the defined benefit plan generally corresponds to the present value of any economic benefit in the form of refunds from the plan or in the form of a reduction in future contributions to the plan. As the plan assets comprise a qualifying insurance contract that precisely covers all promised benefits in terms of their amount and maturity, the recognition of plan assets is limited to the present value of the obligations covered.

#### 2.4.14 Trade liabilities

The balances relate to outstanding liabilities for goods and services received by the Group before the end of the fiscal year. Trade payables and other liabilities are reported as current liabilities unless they are not due for settlement within 12 months of the reporting period. They are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

#### 2.4.15 Sales revenue

Revenue is recognized when control of a promised good or service is transferred to a customer. It is measured at the transaction price of the consideration received or receivable, taking into account variable consideration. Value added tax and other charges collected on behalf of third parties are not taken into account.

##### Revenue from contracts with customers

The Group generates revenue from the provision of services and the sale of goods and materials. The Group recognizes revenue when it fulfils a performance obligation by transferring a promised good or service to a customer.

Invoices to customers are issued in accordance with the contractual conditions and usually provide for payment within 14 to 30 days of invoicing. The fee to be paid by the customer does not include any variable remuneration components.

##### Multi-component transactions

The production and storage of cell deposits represent the main part of the services provided by the Group. Both the production and storage of cell deposits are separate performance obligations of a multi-component transaction. Revenue from the production of cell deposits is recognized at a point in time after the process of collecting, preparing and storing the cells has been completed. Revenue from the storage of cell deposits is recognized over time over the contractually agreed storage period. The input-based method is used to measure the stage of completion, as it is not possible to measure the inflow of benefits to the customer (output-based method) in isolation for the performance obligation "storage of a cell deposit". Revenue is therefore recognized pro rata temporis over the agreed storage period. Price discounts are allocated proportionately to the two performance obligations.

As a rule, the Group collects part of the fee immediately after completion of the processing. The provision of storage services can be paid annually in advance or in arrears or as a prepayment over several years. The contracts also differ within the Group in terms of minimum contract terms. Due to the long storage periods, the Group has concluded an insurance that guarantees the storage of the cell deposits for the contractually agreed period.

The Group first determines the period for which it has an unconditional contractual right to receive consideration. This is usually the contractually agreed non-cancellable minimum term. Some prepayment contract models do not have a non-cancellable minimum term, but a refund of prepaid amounts is excluded in the event of premature termination. In this respect, the Group has come to the conclusion that this condition acts as a contractual penalty and therefore determines the contract term based on the period for which a prepayment was made.

In some jurisdictions, consumer protection laws provide for low-threshold termination options with reimbursement claims for prepayment contract models, meaning that the period for which the Group has an unconditional right to receive consideration is correspondingly shorter. For this reason, further contract adjustments were made in some cases in the fiscal year 2023, resulting in substantial disadvantages for the customer in the event of premature termination. This allows for a longer contract period in accordance with IFRS 15. Contract adjustments are generally made in accordance with country-specific legislation. The definition of the contract period in accordance with IFRS 15 remains discretionary. Further information on this can be found in section 3.1.

The package prices to be paid by customers for the specified period are allocated to the two performance obligations "production of a cell deposit" and "storage of a cell deposit". As there are no stand-alone selling prices for the performance obligations due to legal and actual hurdles, the Group allocates them using the "expected cost plus a margin" approach, whereby the same relative margin in relation to the respective production costs is taken into account for both performance obligations. If the revenue attributable to the performance obligations exceeds the prepayment made for this, this amount is recognized under contract assets in the balance sheet. If the prepayment made is higher than the revenue attributable to the performance obligations, this amount is reported under contract liabilities. If, in the case of prepayments for several years, a legally permissible right of termination during the minimum contractual term or a right of the customer to switch to a different contract model with (partial) reimbursement of the prepayment made is possible, part of the prepayment is recognized as a repayment obligation. Contract assets and liabilities are recognized in accordance with the stage of completion of the performance obligation "storage of a cell deposit".

#### Existence of a financing component

In the case of prepayment for several years, the Group receives prepayments from the customer for the storage of cell deposits. In view of the nature of the service provided, the payment terms offered by the Group have been determined for reasons other than the provision of financing for the customer. The Group therefore concludes that these prepayments do not include a financing component.

The Group also offers annual payment contracts with a minimum contract term of several years without a statutory right of termination for the performance obligation "storage of a cell deposits". The transaction price for this contract is calculated taking into account all payments to be made by the customer during the contract period. In these cases, the payment received from the customer at the start of the contract is below the cost of the performance obligation "storage of a cell deposit". The Group therefore comes to the conclusion that there is a financing component for these contracts. Therefore, an adjustment for the time value of money is made for payments due in more than one year.

If the consideration for the multi-year performance obligation has already been invoiced, the outstanding payments are recognized under trade receivables in the consolidated balance sheet; if no invoice has yet been issued, the payments still to be received are shown under contract assets.

#### Contract assets and liabilities

The contract assets represent the Group's right to consideration for services transferred as part of a multiple-element transaction to the extent that these exceed the payment made to date. This does not apply to customer contracts for which the consideration has already been invoiced in full and is recognized accordingly in trade receivables, as described in the previous paragraph.

Contract liabilities comprise prepayments made by customers for storage services for the periods specified in the individual contracts, which are recognized as revenue on a pro rata basis over the period to which they relate. In addition, obligations to fulfill concluded storage contracts are recognized under contract liabilities. These are obligations assumed as part of business combinations for the storage of cell deposits over a contract-specific storage period.

#### Repayment obligations

The repayment obligations comprise prepayments made by customers for storage services to which they are entitled in the event of a possible switch to a different contract model or if they exercise a statutory right of termination before the end of the minimum contractual term.

#### Other revenue

Other revenue includes revenue from other medical services such as advanced therapies, genetic tests and analyses for third parties. This other revenue is realized exclusively at a point in time. Outstanding amounts are reported in the balance sheet under trade receivables.

#### **2.4.16 Government grants**

Government grants are recognized at fair value if there is reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. In the case of expense-related grants, they are recognized as income over the period necessary to match them with the related expenses for which they are intended to compensate. If the grant relates to an asset, it is recognized as deferred income and released to income on a straight-line basis over the expected useful life of the asset in question. Note 7.2.5 contains further information on how the Group accounts for government grants.

#### **2.4.17 Income taxes**

##### Actual tax refund claims and tax liabilities

Actual income taxes are recognized in the balance sheet at the time they are incurred.

The actual tax refund claims and tax liabilities for the current period and for previous periods are measured at the amount expected to be refunded by the tax authorities or paid to the tax authorities. The amount is determined taking into account the respective local tax laws and existing case law. The calculation of the amount is based on the tax rates and tax laws that apply or will soon apply on the reporting date.

Management regularly reviews the items in the tax returns regarding situations in which the applicable tax law permits different interpretations and assesses whether it appears likely that the tax authorities will accept an uncertain tax treatment. The Group assesses the impact of the uncertainty arising from these treatments using the most likely amount or the expected value, depending on which method is more suitable for predicting the resolution of the uncertainty.

##### Deferred tax assets and liabilities

Deferred taxes are recognized using the balance sheet liability method on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base as of the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, unless the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit before tax nor taxable profit (tax loss).



Deferred tax assets are recognized for all deductible temporary differences, unused tax loss carryforwards and unused tax credits to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the unused tax loss carryforwards and tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax asset can be utilized, at least in part. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled. The tax rates (and tax regulations) used are those that are enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognized in profit or loss unless they relate to items that are recognized directly in equity or in other comprehensive income. In this case, the taxes are also recognized in other comprehensive income or directly in equity.

#### Value added tax

Revenues, expenses and assets are recognized net of sales taxes. The following exceptions apply:

- If the sales tax incurred on the purchase of goods or services cannot be recovered from the tax authorities, the sales tax is recognized as part of the cost of the asset or as part of the expense.
- Receivables and liabilities are recognized together with the VAT amount contained therein.

The amount of VAT refunded by or paid to the tax authorities is recognized under receivables or liabilities in the balance sheet.

#### **2.4.18 Financial income and financial expenses**

Financial income and expenses include interest on borrowed capital, exchange rate differences on borrowed capital and losses from derivatives (interest rate swaps), which are recognized in the income statement.

Borrowing costs associated with the acquisition or construction of an item of property, plant and equipment that is qualifying (i.e. requires a substantial period of preparation for its intended use) are recognized in the value of the asset during the period of construction or modification.

Other borrowing costs are recognized in the income statement.

#### **2.4.19 Share-based remuneration program**

Share-based remuneration plans are recognized as an expense with a corresponding increase in equity. The total amount to be recognized as an expense for the work received is determined based on the fair value of the share-based payment instrument at the grant date and recognized on a straight-line basis over the vesting period. The number of shares granted is subject to an estimate made by the Group, which leads to adjustments in subsequent periods.

In addition, there is a share-based remuneration program (so-called long-term incentive or LTI program) with the members of the Management Board. The program is accounted for in accordance with the provisions of IFRS 2 on cash-settled share-based payment transactions. The obligations from the LTI program were recorded under provisions. The amount of the obligation corresponds to the fair value of the vested shares of the respective commitments as of the balance sheet date. All resulting changes in value are recognized in profit or loss. Detailed information on the structure and presentation of the program is provided in section 9.2.

**2.4.20 Earnings per share****(1) Basic earnings per share**

Basic earnings per share are calculated by division:

- of the profit attributable to the owners of the company excluding the cost of servicing equity other than ordinary shares,
- by the weighted average number of ordinary shares outstanding in the fiscal year, adjusted for bonus shares issued in the fiscal year and excluding treasury shares (Note 7.2.1).

**(2) Diluted earnings per share**

In the diluted earnings per share, the figures used to calculate the basic earnings per share are adjusted to take account of this:

- the after-tax effect of interest and other financing expenses associated with the dilution of potential ordinary shares, and
- of the weighted average number of additional ordinary shares that would have been in circulation assuming the conversion of all diluted potential ordinary shares.

**2.5 APPLICATION OF NEW ACCOUNTING STANDARDS****New, currently valid requirements**

Amendments to the standards whose application is mandatory for companies with fiscal years beginning on or after January 1, 2023:

Standard/Interpretations	Contents	Endorsement	Obligation to use
Introduction IFRS 17	Insurance contracts	11/19/2021	01/01/2023
Amendments to IAS 1	Disclosure of accounting policies	03/02/2022	01/01/2023
Amendments to IAS 8	Definition of accounting estimates	03/02/2022	01/01/2023
Amendments to IAS 12	Deferred taxes arising in connection with assets and liabilities from a single transaction	08/11/2022	01/01/2023
Amendments to IFRS 17	First-time application of IFRS 17 and IFRS 9 – comparative information	09/08/2022	01/01/2023
Amendments to IAS 12	International tax reform – Pillar 2 model rules	11/08/2023	01/01/2023

The amendments listed above had no effect on amounts recognized in previous years and are not expected to have a material impact on the current or future reporting periods, except for the amendments to IAS 12. The amendment is taken into account in the presentation of the calculation of deferred taxes on leases in section 6.10.

Various new accounting standards, amendments to standards and interpretations have been published, but are not mandatory for reporting periods ending on December 31, 2023, and have not been applied early by the Group. The Group does not consider the impact of these new regulations on the current or future reporting periods or on foreseeable future transactions to be material.

Standards and interpretations to be applied in the future

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have adopted or will adopt further standards, interpretations and amendments to standards that are not yet mandatory for the fiscal year 2023 and have not yet been applied to these consolidated financial statements. These include:

Standard/interpretations	Contents	Endorsement	Obligation to use
Amendments to IAS 1	Classification of liabilities as current or non-current, deferral of the date of initial application, non-current liabilities with covenants	12/19/2023	01/01/2024
Amendments to IFRS 16	Requirements for the subsequent measurement of leases as part of a sale and leaseback for seller-lessees	11/20/2023	01/01/2024
Amendments to IAS 7 and IFRS 7*	Supplier financing agreements	n/a	01/01/2024
Amendments to IAS 21*	Lack of exchangeability	n/a	01/01/2025

\* EU endorsement still outstanding at the time of publication of the consolidated financial statements

According to current estimates, the standards and interpretations that have already been published but have not yet come into force will not have any significant impact on the Group's financial reporting.

### 3. RISKS

#### 3.1 SIGNIFICANT ESTIMATES AND DISCRETIONARY DECISIONS

The preparation of the financial statements requires the use of accounting estimates, which by definition rarely correspond to the actual results. The application of the Group's accounting policies is also subject to various judgments made by management. Below we provide an overview of areas involving a higher degree of judgment or complexity and items that are likely to require a material adjustment if estimates and assumptions prove to be incorrect. Detailed information on these estimates and discretionary decisions is included in the other notes, together with the basis of calculation for each financial statement item concerned.

##### Impairment test of goodwill

Goodwill is subject to an impairment test. Impairment tests are carried out in the fourth quarter of the fiscal year and independently of this if significant events or changes in circumstances occur that indicate a need for impairment.

The goodwill acquired as part of the business combinations was allocated to the respective cash-generating units for impairment testing. To determine the need for impairment, the recoverable amount of a cash-generating unit is compared with its carrying amount.

The Group currently has 13 cash-generating units, which – due to the restrictions under medical law on the provision of services in the area of preparation and storage of cell deposits – essentially correspond to the acquired companies or groups of companies.

The recoverable amount of the respective cash-generating unit is determined based on a value-in-use calculation using cash flow projections based on financial budgets prepared by the management for a period of five years and approved by the Supervisory Board. All known exogenous factors on the recoverable cash flows were taken into account. The recoverable amount is heavily dependent on the discount rate used in the discounted cash flow method and the expected future cash inflows. The basic assumptions for determining the recoverable amount, including a sensitivity analysis, are explained in Note 7.1.1.

**Estimated useful lives**

Depreciation and amortization rates are determined based on current knowledge of the expected useful lives of property, plant and equipment and intangible assets. The expected useful lives are reviewed regularly. Details of the amortization periods can be found in Notes 2.4.4 “Intangible assets” and 2.4.5 “Property, plant and equipment”.

**Current and deferred income taxes**

Current income taxes are recognized in the balance sheet at the time they are incurred. The actual tax refund claims and tax liabilities for the current period and for previous periods are measured at the amount expected to be refunded by the tax authorities or paid to the tax authorities. The calculation is made taking into account the respective local tax laws and existing case law. The complexity of these regulations and possible differences in their interpretation lead to uncertainties regarding the tax treatment of individual transactions. In accordance with IFRIC 23, these uncertain tax items are measured at the most probable value of a possible claim.

Deferred taxes were capitalized on the loss carryforwards of Group companies existing on the reporting date if it can be assumed according to the planning calculations that the loss carryforwards will be utilized. Deferred tax assets for differences between the tax balance sheet values and the IFRS balance sheet values of the respective companies were offset against deferred tax liabilities, taking into account the maturities. If there is a surplus of deferred tax assets, these were capitalized if it is considered probable that taxable income will be available for this purpose.

**Revenue from contracts with customers**

As part of revenue recognition, the package prices to be paid by customers are allocated to the two performance obligations ‘production of a stem cell deposit’ and ‘storage of a stem cell deposit’ in proportion to their stand-alone selling prices. As these stand-alone selling prices cannot be determined directly, the Group estimates them using the “expected cost plus a margin” approach, whereby the same relative margin in relation to the respective production costs is taken into account for both performance obligations.

**Determination of the period for which an unconditionally enforceable claim to consideration exists:**

The Group offers contracts with varying contract durations. In some subsidiaries, it is common for customers to be able to switch between contracts with different contract durations and between prepayments for several years and annual payments with the greatest possible flexibility. In some jurisdictions, there are also statutory termination rights that allow termination even during the contractually agreed minimum contract term. The contract term used for accounting purposes in accordance with IFRS 15 must therefore be derived individually for the various contract types, taking into account all possible factors, whereby estimates regarding the existence of substantial termination rights on the part of the customer are discretionary. In our opinion, the contractual bases include substantial contractual penalties as soon as the exclusion of termination is not legally permissible. On this basis, we derive the Group’s entitlement to remuneration for the service provided over the entire contract period.

The customer concludes a contract for this by taking advantage of a special offer and receives discounts on the initial or basic fee or additional packages. The customer is obliged to repay the amount of these discounts if he withdraws from the contract or terminates it before the end of the contract term. The Management Board assumes that the termination fee is substantial as long as it amounts to at least 10% of the remaining contract volume. As a decreasing termination penalty during the first 10 years exceeds 10% of the remaining contract volume, it is assessed as a substantial termination penalty that gives rise to an enforceable claim within the meaning of IFRS 15.

For contracts that include a prepayment model with a term of 18 years, the repayment of the prepayment discount, which is reduced over 10 years, constitutes a termination penalty similar to the subscription model. In addition, if the contract is terminated, the customer must also repay a benefit included in the contract for the expired contract term. In this case, the customer loses a benefit as the storage fees are recalculated based on the subscription model for the previous years. Even if the customer is not obliged to repay the benefit and does not receive a refund because the recalculated amount exceeds the amount paid in advance, the lost benefit constitutes a contractual penalty. Thus, the customer’s obligation to repay the prepayment discount and the loss of benefit resulting from the 18-year prepayment model (as long as the recalculated storage fee does not exceed the original prepaid amount) can together be considered a substantial termination penalty that creates enforceable rights and obligations.

The substantial termination penalty is an important aspect in the assessment of the contract term to be applied for accounting purposes in accordance with IFRS 15. The determination of the period for which an unconditionally enforceable right to consideration exists has an impact on the total package price of the two performance obligations and on the allocation of revenue to the production of the cell deposit.

Allocation of the transaction price for multi-component transactions:

The expected price development of future storage costs is determined on a quarterly basis. The estimate of the expected price development for storage costs for contracts with a term of up to 50 years is subject to a corresponding degree of uncertainty. The Group includes all currently available information on cost increase rates and useful lives of assets in the estimate.

**Leases**

Determination of the term of a lease with an extension option:

The Group defines the term of the lease as the non-cancellable term of the lease and all periods covered by an option to extend the lease if it is reasonably certain that the option will be exercised.

The Group has several leases that include extension options. The Group makes an assessment as to whether it is reasonably certain that the option to extend the lease will be exercised.

Determination of the incremental borrowing rate:

The Group is regularly unable to determine the implicit interest rate of a lease. In these cases, the lease liability is measured using the incremental borrowing rate. This is the interest rate that the Group would have to pay under similar economic conditions for a loan – with a similar term and collateral – to acquire an asset with a similar value to the right-of-use asset.

The Group determines the incremental borrowing rate based on observable data such as market interest rates, taking into account company-specific adjustments.

## 3.2 FINANCIAL RISK MANAGEMENT

### 3.2.1 Objectives and methods of financial risk management

The Group's aim is to maintain a strong capital base to maintain the confidence of investors, creditors and the markets and to ensure the sustainable development of the Group. The Management Board regularly monitors the return on capital and the level of dividends.

The main financial instruments used by the Group comprise interest-bearing loans as well as cash and cash equivalents and short-term investments and are therefore the focus of capital management. The main purpose of these financial instruments is to finance the Group's business activities. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its business activities. The main risks to the Group arising from financial instruments are explained in Note 7.2.11.

### 3.2.2 Liquidity risk

The Group's aim is to maintain a balance between continuously covering its cash requirements and ensuring flexibility using loans and medium-term forms of investment such as securities. The Group constantly monitors the risk of any liquidity bottlenecks. The maturities of financial assets and financial liabilities as well as expected cash flows from operating activities are analyzed on an ongoing basis.

The following table shows the contractually agreed remuneration and repayments of primary financial liabilities:

EUR thousand	< 1 year	1 to 2 years	> 2 years
Liabilities from loans	5,079	1,814	1,573
Leasing liabilities	2,729	2,334	8,046
Trade payables and other liabilities	11,287	518	863
<b>Total</b>	<b>19,095</b>	<b>4,666</b>	<b>10,482</b>

All instruments held as of December 31, 2023, and for which payments had already been contractually agreed were included. Planned figures for future new liabilities are not included. Financial liabilities repayable at any time are always assigned to the earliest time frame.

In the reporting year, the Management Board concluded bank financing tailored to the Group's structure. This replaces the credit lines that expired in both subgroups in 2023 and secures the Group's debt financing in the medium term.

In addition, a capital increase was carried out at the level of Vita 34 AG to strengthen the Group's liquidity.

Due to the measures implemented, the short-term liquidity risk as of December 31, 2023, is therefore classified as low. The medium-term planning also shows that the core business – despite a generally difficult macroeconomic environment at present and some other special effects – is developing in financial equilibrium. Furthermore, compliance with the applicable credit terms is also expected, provided that the company's planning assumptions are achieved in the short term. The Management Board therefore expects to be able to further reduce liquidity risks in the medium term.

### 3.2.3 Credit risk

Credit risk is the risk that a business partner will fail to meet its obligations under a financial instrument, resulting in a financial loss.

The credit risk in the Vita 34 Group primarily relates to trade receivables. Contract assets and other loans are also subject to credit risk, but the expected losses are not considered to be significant. The credit risk for cash and cash equivalents is limited, since the Group's counterparties are banks with high credit ratings.

#### Trade receivables

The Group concludes transactions with both private and corporate customers. Outstanding customer receivables and the contract volume are monitored regularly. Credit checks are sometimes carried out by an external credit institution.

The Group's preferred methods of payment are bank transfers, credit cards and prepayments. Decisions on the granting of loans are made taking into account the result of the solvency assessment, the contract value, the due date and the expected outstanding balance.

An analysis of expected credit losses is carried out at each balance sheet date using an impairment matrix. The provision rates are based on days past due for groupings of different customer segments with similar loss patterns (e.g. by geographical region, customer type and coverage by collateral provided by the customer). The calculation reflects the probability-weighted result, the time value of money and reasonable and supportable information available at the balance sheet date about past events, current conditions and forecasts of future economic conditions. The maximum default risk is limited to the carrying amount. There are no significant concentrations of default risks in the Group. Further information on expected losses and the development of value adjustments can be found under 7.1.7.

### 3.2.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Group's market risk includes interest rate, foreign currency and share price risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Movements in market interest rates can have a negative impact on the Group's financial results.

Interest rate risks due to possible changes in accrued interest for variable-interest loans have been minimized by means of interest rate swaps, which expired in 2023.

Since the financial liabilities of Vita 34 are largely at fixed interest rates as of the reporting date, there are no significant risks from changes in market interest rates. The credit lines concluded in the reporting year have a term until 2027. Further details on the loan liabilities can be found in section 7.2.2.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument are exposed to fluctuations due to changes in exchange rates. The Group is exposed to increased exchange rate risks as part of its operating activities (if sales and expenses are denominated in a foreign currency). In the reporting period, the Group generated revenue and incurred expenses in Polish zloty (PLN), Romanian leu (RON), Hungarian forint (HUF), Turkish lira (TRY), Swiss franc (CHF), US dollar (USD), Danish krone (DKK), pound sterling (GBP), UAE dirham (AED) and Hong Kong dollar (HKD).

A change in the exchange rate can therefore have a fundamental impact on the consolidated balance sheet. For this reason, the effects of changes in the exchange rate are analyzed:

EUR thousand		Effect increase in exchange rate +10%	Liabilities from deliveries and services	Effect decrease in exchange rate -10%
Currency	Trade receivables			
PLN	1,756	176	2,959	296
RON	1,181	118	109	11
HUF	421	42	109	11
TRY	314	31	171	17
CHF	2,609	261	0	0
USD	0	0	1,307	131
DKK	749	75	12	1
GBP	427	43	262	26
AED	691	69	300	30
HKD	70	7	15	2

In the comparative year, an analysis of the effects of changes in the exchange rate was as follows:

EUR thousand		Effect increase in exchange rate +10%	Liabilities from deliveries and services	Effect decrease in exchange rate -10%
Currency	Trade receivables			
PLN	2,660	26	883	88
RON	959	96	146	15
HUF	217	22	168	17
TRY	270	27	173	17
CHF	2,546	255	133	13
USD	0	0	1	0
DKK	342	34	1	0
GBP	386	39	431	43
AED	1,400	140	62	6
HKD	95	9	17	2

Significant exchange rate fluctuations were recorded for the Turkish currency TRY. Turkey was classified as a hyperinflationary economy during the fiscal year 2022. Therefore, IAS 29 "Financial Reporting in Hyperinflationary Economies" applies to our subsidiaries in Turkey. Information on the consideration and consequences in the consolidated financial statements of Vita 34 AG can be found in Note 2.3.

#### Share price risk

The Group holds a 1% stake in NextCell Pharma AB (Sweden, Stockholm), whose shares are listed on the Nasdaq First North Growth Market, and an 8% stake in Dystrogen Therapeutics (Chicago, USA), an unlisted company. Further information on the investments can be found in Notes 7.1.8 and 7.2.11.

### 3.2.5 Environmental risks

#### Increased level of uncertainty due to the overall economic situation

Due to the persistently dynamic macroeconomic environment, the degree of uncertainty in the preparation of the consolidated financial statements remains high. Uncertainty factors arose in particular due to the continuing high level of inflation, the development of interest rates, geopolitical challenges and the efforts of various countries to reduce international dependencies and the associated trade restrictions and sanctions. This applies in particular with regard to the recoverability of non-financial assets. Based on current knowledge, there have been no indications of significant impairments to date. Furthermore, as in previous years, there were no indications that it would have been necessary to deviate from the going concern principle when preparing the consolidated financial statements.

#### Effects of climate change

Overarching, direct and indirect consequences of climate change are becoming increasingly relevant for internal decision-making processes, as well as management estimates and assumptions. Vita 34 anticipates structural, regulatory and technological changes in the market, as well as increased costs due to avoidance technologies or government regulation. The risks associated with climate change include extreme weather events, drought and heat waves. As a result, there are restrictions in the quality of life and potentially also a loss of prosperity in the target markets of the Vita 34 Group. These long-term consequences can lead to a decline in the fertility rate and, thus, the market volume of Vita 34. To counteract this risk, Vita 34 is particularly endeavoring to further increase its share of the market volume. In addition, the Management Board continuously monitors the consequences of climate change and the associated legislation. The consideration of the risk for the continuation of operations is covered by risk management and controlled operationally in the corporate units. Currently, no significant risks for our business model have been identified in the area of climate change. Therefore, Vita 34 does not currently expect any significant effects of such risks on its business model, as well as on the presentation of its net assets, financial position and results of operations.



#### Effects of the war in Ukraine

The war in Ukraine did not result in any significant direct effects on the net assets, financial position and results of operations of Vita 34. The Group still does not conduct any business in Ukraine or in the countries subject to sanctions. Thus, the Group's impact continues to be limited to the indirect effects of the conflict, for example, the increasing energy prices or the negative effects on the global transportation and logistics sector.

The Group is monitoring all indirect effects and currently assumes that profitability can be maintained at the current level with appropriate countermeasures such as price increases.

Irrespective of this, all accounting-related estimates and assumptions are subject to review. The Group's business model is essentially based on the provision of long-term healthcare. For both our customers and ourselves, additional uncertainties in the long-term planning horizon require increased attention. In particular, the rise in consumer prices as a result of the conflict is leading to a general reluctance or postponement of consumption, meaning that investments in long-term healthcare may not be made.

As the Group has no direct links to the affected markets, only these indirect consequences of the conflict are included in the analysis. All foreseeable consequences of this macroeconomic slowdown are taken into account in our planning and analyses. As planned cash flows in particular are central to the measurement of the non-current assets recognized, there are implications for the impairment test of the goodwill reported. However, the influence of individual factors cannot be quantified in isolation, meaning that the indirect effects resulting from the war in Ukraine cannot be separated from the direct effects of the macroeconomic slowdown. At present, however, the indirect effects of the conflict between Russia and Ukraine do not lead to changes in the key accounting assumptions and estimates or have an impact on the consolidated financial statements beyond the reduced business volume.

### **3.3 CAPITAL MANAGEMENT**

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern so that it continues to generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Capital comprises the equity reported in the balance sheet. The Management Board also uses various key figures to assess and monitor the capital structure. These include first- and second-degree liquidity as well as the equity and debt ratio. There are no specific targets or objectives for individual ratios or minimum capital requirements. Requirements arising from loan agreements (covenants) are also taken into account as part of capital management.

## **4. COMPOSITION OF THE GROUP**

### **4.1 GENERAL INFORMATION**

The direct parent company of Vita 34 AG is AOC Health GmbH, headquartered in Germany. The ultimate parent company of Vita 34 AG is Active Ownership Capital S.à r.l., based in Luxembourg. Mr. Florian Schuhbauer and Mr. Klaus Röhrig are the ultimate controlling parties of Vita 34 AG via one and two corporate chains, respectively.

Vita 34 AG is neither included in published consolidated financial statements nor in consolidated financial statements that are not published.

**4.2 LIST OF SUBSIDIARIES**

The Group's subsidiaries as of December 31, 2023 are listed below. Unless otherwise stated, the percentage of shares held corresponds to the voting rights held by the Group.

Name	Seat	Capital share in % 12/31/2023	Capital share in % 12/31/2022
<b>Direct investments</b>			
Seracell Pharma GmbH	Rostock, Germany	100	100
Novel Pharma S.L.	Madrid, Spain	100	100
Secuvita S.L.	Madrid, Spain	88	88
Vita 34 Gesellschaft für Zelltransplantate mbH	Vienna, Austria	100	100
Vita 34 ApS	Søborg, Denmark	100	100
Polski Bank Komorek Macierzystych Sp. z o.o.	Warsaw, Poland	100	100
<b>Indirect investments</b>			
Cilmes Šūnu Banka, SIA	Riga, Latvia	100	100
KRIO Intezet Zrt.	Budapest, Hungary	100	100
Biogenis S.R.L.	Bucharest, Romania	100	100
Sevibe Cells S.L.	Barcelona, Spain	63	63
FamiCord Italia S.R.L.	Milan, Italy	100	100
Yaşam Bankası Sağlık Hizmetleri İç ve Dış Ticaret Anonim Şirketi	Ankara, Turkey	100	100
Diagnostyka Bank Komórek Macierzystych Sp. z o.o.	Krakow, Poland	100	100
Cryoprofil S.A.	Warsaw, Poland	100	100
Instytut Terapii Komórkowych S.A. <sup>1)</sup>	Olsztyn, Poland	50	50
Krionet Kft.	Budapest, Hungary	100	100
FamiCord Suisse S.A.	Lugano, Switzerland	100	100
Stemlab, S.A.	Cantanhede, Portugal	100	100
Celvitae Biomédica SL	Madrid, Spain	100	100
NGI-LifeScience and Health International, S.A. (formerly: Bebécord Stemlife International, S.A.)	Lisbon, Portugal	100	100
Bebé4d My Family Ties, S.A.	Lisbon, Portugal	n/a	100
MedicalMedia II – Mamãs e Bebés Unipessoal, Lda.	Lisbon, Portugal	n/a	100
FamiCordon S.A.	Madrid, Spain	63	63
FamiCordTX S.A.	Warsaw, Poland	76	76
Famicord-Acibadem Kordon Kanı Sağlık Hizmetleri A.Ş	Istanbul, Turkey	100	70
eticur GmbH	Munich, Germany	100	100
Sorgente s.r.l.	Milan, Italy	100	53
Centre Marcel-la Mas, S. L.	Barcelona, Spain	57	57
Smart Cells Holdings Ltd.	London, England	84	84
Smart Cells International Ltd.	London, England	84	84
Smart Cells Middle East Ltd.	Dubai, United Arab Emirates	84	84
Smart Cells International Middle East FZ LCC	Dubai, United Arab Emirates	84	84
Smart Cells (Hong Kong) Ltd.	Hong Kong	84	84

1) Not included in the consolidated financial statements due to immateriality

The disposals in the scope of consolidation relate to mergers within the scope of consolidation and acquisitions of shares. The companies Bebé4D My Family Ties, S.A. and Medicalmedia li - Mamás E Bebés, Unipessoal, Lda were merged into NGI-LifeScience and Health International, S.A. (formerly: Bebécord Stemlife International, S.A.). The remaining shares in the companies Famicord-Acibadem Kordon Kaniçlık Sağlık Hizmetleri A.Ş. and Sorgente s.r.l. were acquired in full.

Minority interests are held in the following companies:

	Shares held by minority shareholders	
	12/31/2023	12/31/2022
%		
Secuvita S.L., Madrid, Spain	12.0	12.0
Sevibe Cells Group, Barcelona, Spain	36.6	36.6
SmartCells Group, London, England	15.8	15.8
Sorgente, Milan, Italy	0.0	47.0

The summarized financial information and cash flows for subsidiaries with material non-controlling interests are as follows:

	Secuvita S.L.		Sevibe Cells Group		SmartCells Group		Sorgente	
	2023	2022	2023	2022	2023	2022	2023	2022
EUR thousand								
Non-current assets	4,172	4,647	5,105	5,352	4,124	2,932	n/a	792
Current assets	3,101	3,317	1,456	1,743	4,917	2,609	n/a	715
Non-current liabilities	3,988	3,944	6,280	6,470	7,682	4,883	n/a	944
Current liabilities	1,986	2,966	1,391	1,635	1,200	1,149	n/a	832
Net assets	1,299	1,054	-1,111	-1,009	160	-491	n/a	-268
Sales revenue	2,325	2,471	5,464	5,523	4,036	5,149	n/a	2,469
Profit for the period	245	-298	-60	361	729	-625	n/a	-318
Overall result	245	-298	-102	361	729	-625	n/a	-318
Result attributable to minority interests	9	-35	0	29	115	-79	n/a	-101
Cash flow from operating activities	724	-40	605	320	179	-429	n/a	-230
Cash flow from investing activities	272	23	-111	-83	-163	-629	n/a	-40
Cash flow from financing activities	-1,098	-60	-278	-146	2,684	1,103	n/a	-174
Net change in cash and cash equivalents	-102	-77	206	63	2,700	44	n/a	-444

Shares in associated companies

The Group's associates as of December 31, 2023, are listed below:

Name	Seat	Capital share in % 12/31/2023	Capital share in % 12/31/2022
Rodinná banka perinatálnych a mezenchymálnych buniek s.r.o.	Bratislava, Slovakia	26	26
Rodinná banka perinatálnych a mezenchymálnych buniek s.r.o.	Ostrava, Czech Republic	26	26

The associated companies are immaterial to the Group, both individually and in total. The results, assets and liabilities of the associated companies are included in the consolidated financial statements using the equity method.

Non-consolidated subsidiaries, associated companies and other investments

The following shares in non-consolidated subsidiaries and other investments were also held as of the balance sheet date:

Name	Seat	Capital share in % 12/31/2023	Capital share in % 12/31/2022	Equity in EUR thousand	Annual result in EUR thousand
<b>Non-consolidated subsidiaries:</b>					
Vita 34 Slovakia s.r.o. <sup>1)</sup>	Bratislava, Slovakia	100	100	-623	-4
<b>Non-consolidated associated companies</b>					
Kamieniniu lasteliu bankas UAB "Imunolita" <sup>1) 2)</sup>	Vilnius, Lithuania	35	35	-262	92

<sup>1)</sup> Waiver of inclusion in the consolidated financial statements due to immateriality

<sup>2)</sup> Equity and annual result according to the annual financial statements as of December 31, 2018

## 5. SEGMENT REPORTING

### 5.1 THE BASICS OF SEGMENTATION

Business segments are reported on in a way that is consistent with the internal reporting to the Group's chief operating decision maker. The Group's net assets, financial position and results of operations are assessed at least as part of a monthly report to the Management Board and used as a starting point for strategic decisions.

Since the merger with PBKM on November 9, 2021, the Group has had two strategic divisions, which represent the Group's reportable segments. Both segments are active in the area of stem cell banking but differ in terms of their organizational and operational structure with separate financial information. The products and services of the two segments correspond to the service portfolios of the two subgroups PBKM and Vita 34. In both segments the focus is on the collection, preparation and cryopreservation of stem cells from umbilical cord blood and tissue. The service portfolio of the subgroup PBKM segment also offers additional services in biobanking, such as the freezing of sperm, the storage of adipose tissue or the isolation of cells from the stored material for better access to medical therapies in the future.

The segmentation reflects the reporting structure implemented in the Group as a whole. Based on this internal reporting system, the Management Board, which is responsible for the success of the various segments and the allocation of resources as the main decision-maker, assesses business activities from various perspectives.

The accounting principles for segment reporting correspond to the principles applied to the consolidated financial statements and are to be understood in the same way as IFRS, as applicable in the EU. Therefore, no reconciliation is required due to differences between internal measurement and measurement in accordance with IFRS.

## 5.2 RESULTS OF THE SEGMENTS

The earnings position of the segments for the fiscal year 2023 is as follows:

EUR thousand	Vita 34 subgroup	PBKM subgroup	Total	Consolidation	Group
Segment sales revenue	18,295	58,805	<b>77,100</b>	-38	77,062
Depreciation, amortization and impairment	-2,970	-5,720	<b>-8,690</b>	0	-8,690
EBITDA	-1,954	7,491	<b>5,537</b>	32	5,569
Earnings before taxes	-5,004	138	<b>-4,866</b>	524	-4,342

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

EBITDA for the Group as a whole can be reconciled to earnings before taxes as follows:

EUR thousand	2023	2022
EBITDA	5,569	-3,564
Depreciation and amortization	-8,562	-8,550
Impairment losses	-128	-15,169
Other interest and similar income	756	1,364
Income from other securities and loans classified as financial assets	264	402
Interest and similar expenses	-2,382	-2,680
Realized losses from financial assets	0	-96
Share in the result of associated companies	140	0
<b>Earnings before taxes</b>	<b>-4,342</b>	<b>-28,293</b>

The earnings position of the segments for the fiscal year 2022 is as follows:

EUR thousand	Vita 34 subgroup	PBKM subgroup	Total	Consolidation	Group
Segment sales revenue	18,576	50,638	<b>69,214</b>	-274	68,940
Depreciation, amortization and impairment	-3,195	-20,523	<b>-23,718</b>	0	-23,718
EBITDA	69	-3,746	<b>-3,677</b>	113	-3,564
Earnings before taxes	-3,373	-26,189	<b>-29,562</b>	1,269	-28,293

The EBITDA of a segment is used to assess its earnings power, as the Management Board believes that this is the most relevant information when assessing the results of certain segments in relation to other companies operating in these areas.

Differences between the sum of the two segments and the values reported in the Group in the area of other interest and income result from the capital consolidation of both segments in the Group as a whole.

### 5.3 INFORMATION ON GEOGRAPHICAL AREAS

The Group generates sales of EUR 23,190 thousand (previous year: EUR 18,464 thousand) in Poland and EUR 14,637 thousand (previous year: EUR 15,297 thousand) in Germany. The remaining sales of EUR 39,235 thousand (previous year: EUR 35,179 thousand) are generated in other countries, each with a share of less than 10% of total sales. Sales are generally allocated based on the customer's country of residence.

The Group's non-current assets break down as follows:

EUR thousand	2023	2022
Domestic	28,521	28,085
Poland	28,948	24,678
Portugal	12,585	13,652
Other foreign countries	29,301	34,395
<b>Group</b>	<b>99,355</b>	<b>100,810</b>

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

## 6. NOTES TO THE INCOME STATEMENT

### 6.1 SALES REVENUE

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

EUR thousand	2023	2022
Revenue processing/manufacturing	51,489	45,654
Revenue from storage	21,534	18,524
Other sales	4,039	4,762
	<b>77,062</b>	<b>68,940</b>

Other sales mainly comprise sales from project business and medical services that are not related to the processing and storage of cell deposits. A breakdown of sales by country is provided in section 5.3.

### 6.2 COST OF SALES

The cost of sales reported in the income statement includes the following expenses:

EUR thousand	2023	2022
Personnel expenses	17,478	18,054
External services	13,288	15,002
Cost of materials	7,670	8,449
Depreciation and amortization	6,920	6,392
Impairment losses	128	15,169
Other expenses	3,335	3,139
	<b>48,818</b>	<b>66,205</b>

Other expenses mainly include office space and repair costs.

### 6.3 OTHER INCOME

The other income reported in the income statement is made up as follows:

EUR thousand	2023	2022
Government grants	200	617
Income from the derecognition of accrued liabilities	10	15
Miscellaneous other income	1,447	2,135
	<b>1,657</b>	<b>2,767</b>

Government grants mainly relate to subsidies for research and development. The grants are settled over time to finance ongoing research work and are paid out in accordance with the relevant contracts. There are no unfulfilled conditions or other uncertainties in connection with the government grants.

The income from the derecognition of accrued liabilities mainly comprises the derecognition of obligations to employees accrued in the previous year, from which the Group was utilized less than expected in the reporting year.

Miscellaneous other income mainly includes currency differences and continued salary payments by health insurance funds.

### 6.4 MARKETING AND DISTRIBUTION COSTS

The marketing and distribution costs reported in the income statement are made up as follows:

EUR thousand	2023	2022
Depreciation and amortization	240	218
Expenses for marketing measures	6,611	6,186
Personnel expenses	1,950	2,003
Other expenses	1,774	2,079
	<b>10,575</b>	<b>10,486</b>

Other expenses mainly include sales-related office space costs of EUR 99 thousand (previous year: EUR 88 thousand) and insurance and consulting costs of EUR 163 thousand (previous year: EUR 124 thousand).

### 6.5 ADMINISTRATIVE COSTS

The administrative expenses reported in the income statement comprise the following components:

EUR thousand	2023	2022
Personnel expenses	9,508	8,737
Research and development expenses	4,311	3,444
Depreciation and amortization	1,401	1,940
Legal, consulting and auditing costs	2,590	1,482
Investor Relations	567	373
Other expenses	1,976	3,901
	<b>20,353</b>	<b>19,877</b>

Other expenses include costs for insurance amounting to EUR 216 thousand (previous year: EUR 220 thousand), costs of the Supervisory Board amounting to EUR 184 thousand (previous year: EUR 192 thousand), incidental costs of monetary transactions amounting to EUR 77 thousand (previous year: EUR 146 thousand) and the remaining EUR 1,499 thousand (previous year: EUR 3,343 thousand) result from a variety of different administrative costs.

**6.6 OTHER EXPENSES**

Other expenses were incurred in the amount of EUR 965 thousand (previous year: EUR 1,133 thousand). These include losses from the disposal of fixed assets in the amount of EUR 97 thousand (previous year: EUR 225 thousand).

**6.7 IMPAIRMENT LOSSES FROM TRADE RECEIVABLES AND OTHER RECEIVABLES**

The losses on receivables of EUR 1,128 thousand (previous year: EUR 1,290 thousand) reported in the income statement result from the recognition of value adjustments for trade receivables.

**6.8 FINANCIAL INCOME**

The financial income reported in the income statement comprises the following components:

EUR thousand	2023	2022
Interest income	460	717
Income from loans	264	402
Income from currency translation differences	296	647
	<b>1,020</b>	<b>1,766</b>

Interest income includes income from the compounding of long-term receivables in the amount of EUR 12 thousand (previous year: EUR 7 thousand).

**6.9 FINANCIAL EXPENSES**

The financial expenses reported in the income statement are made up as follows:

EUR thousand	2023	2022
Expenses from currency translation differences	558	777
Expense from discounting	98	501
Interest expense for leases	485	395
Interest expense for loans and overdrafts	587	375
Write-downs on financial assets	0	96
Other financial expenses	654	632
	<b>2,382</b>	<b>2,776</b>



**6.10 INCOME TAX EXPENSE/INCOME**

The main components of income tax expense for the fiscal years 2023 and 2022 are as follows:

EUR thousand	2023	2022
<b>Consolidated income statement</b>		
<b>Actual income taxes</b>		
Actual income tax expense for the fiscal year	279	1,041
Adjustment of income taxes incurred in previous years	-952	-442
<b>Deferred income taxes</b>		
Deferred taxes on the origination and reversal of temporary differences	828	-1,632
Deferred taxes on losses carried forward	-2,465	123
<b>Income tax income</b>	<b>-2,310</b>	<b>-908</b>
<b>Consolidated statement of comprehensive income</b>		
Tax expense from the remeasurement of actuarial gains and losses	0	12
<b>Income taxes recognized directly in equity</b>	<b>0</b>	<b>12</b>

In recent years, the Group has concluded various agreements within the Group. In doing so, the Group strives to ensure an appropriate tax burden for the Group companies. Due to inconsistent case law in some cases, the agreements concluded nevertheless result in risks that could lead to additional tax burdens in the context of tax audits. It is difficult to quantify the amount of the tax risks here, as it is not possible to conclusively assess how intragroup agreements are recognized by the tax authorities in the individual countries in terms of principle and amount.

The reconciliation between the income tax expense and the product of the result for the period and the Group's applicable tax rate for the fiscal years 2023 and 2022 is made up as follows:

EUR thousand	2023	2022
<b>Earnings before income taxes</b>	<b>-4,342</b>	<b>-28,293</b>
Income tax income (+) at the Group's tax rate of 23.0% (2022: 20.0%)	1,000	5,649
Adjustments, as the results of some companies do not lead to an income tax burden	1	1
Adjustment due to tax-free income	233	279
Adjustment due to non-deductible expenses	-753	-3,313
Expiry of tax loss carryforwards	589	0
Unrecognized deferred tax assets on loss carryforwards	-1,140	-2,076
Income taxes for previous years	1,047	31
Deviations from tax rate differences	1,333	336
<b>Income tax income / expense</b>	<b>2,310</b>	<b>908</b>

Income taxes include corporate income tax and trade tax for domestic companies as well as comparable income taxes for foreign companies. The income tax rate stated for the Group is the weighted average tax rate based on the earnings before income taxes generated in the various countries. The income taxes for previous years result in particular from completed tax audits and tax assessments for previous years.

The Group's income tax rate is the weighted average tax rate based on the earnings before income taxes generated in the various countries. The average tax rate in the subgroup PBKM tends to be lower than the tax rate in the subgroup Vita 34. As the absolute earnings before taxes of the subgroup PBKM fell in comparison to the previous year, the weighting results in an increase in the average tax rate in the Group to 23.0% (previous year: 20.0%).

Deferred income taxes break down as follows as of the reporting date:

EUR thousand	Consolidated balance sheet		Consolidated income statement	
	12/31/2023	12/31/2022	2023	2022
<b>Deferred taxes on temporary differences</b>				
Intangible assets	-3,493	-3,918	498	947
Property, plant and equipment	-1,105	-960	15	-222
Rights of use	-1,271	-1,384	60	73
Trade receivables	871	775	38	147
Other non-current assets	-4,799	-3,357	-1,146	-599
Current assets	299	320	-21	5
Interest-bearing loans	12	-68	86	-6
Contract liabilities	-409	-716	307	-10
Leasing liabilities	1,463	1,615	-235	-105
Other debts	9,316	9,158	-430	1,400
	<b>885</b>	<b>1,464</b>	<b>-828</b>	<b>1,631</b>
<b>Tax loss carryforwards</b>	<b>5,724</b>	<b>3,044</b>	<b>2,465</b>	<b>-124</b>
<b>Deferred tax assets</b>	<b>10,401</b>	<b>9,634</b>		
<b>Deferred tax liabilities</b>	<b>-3,792</b>	<b>-5,126</b>		
<b>Deferred income tax expense/income</b>			<b>1,637</b>	<b>1,508</b>

The loss carryforwards of the Group companies developed as follows:

Name	Seat	Income tax rate	12/31/2023 EUR thousand	12/31/2022 EUR thousand
Polski Bank Komorek Macierzystych Sp. z o.o.	Poland	19%	9,003	8,814
Vita 34 AG	Germany	32%	5,899	4,401
eticur GmbH	Germany	30%	5,892	5,892
Celvitae Biomédica, S.L.	Spain	25%	5,176	5,177
Sevibe Cells S.L.	Spain	25%	4,917	4,917
Secuvita S.L.	Spain	25%	2,499	3,120
FamiCordTX S.A.	Poland	19%	2,308	1,279
FamiCord Suisse S.A.	Switzerland	17%–22%	2,073	1,924
Stemlab, S.A.	Portugal	21%	1,835	1,399
FamiCord Italia S.R.L.	Italy	24%	1,746	1,598
FamiCord-Acibadem Kordon kanı sağlık hizmetleri	Turkey	20%	862	413
Vita 34 ApS	Denmark	22%	753	1,426
Yaşam Bankası Sağlık Hizmetleri İç ve Dış Ticaret anonim şirketiv	Turkey	20%	508	200
SmartCells International Middle East	UAE	0%	480	0
FamiCordon S.A.	Spain	25%	283	159
Biogenis S.R.L.	Romania	16%	206	206
Instytut Terapii Komórkowych	Poland	19%	204	197
SmartCells International Ltd.	Hong Kong	0%	195	0
SmartCells International	Great Britain	19%	125	0
NGI	Portugal	21%	121	0
Center Marcel-la Mas, S.L.	Spain	25%	111	96
Cilmes Šūnu Banka, SIA	Latvia	15%	4	4
Famicells Sàrl	Spain	25%	n/a	383
Famicord Deutschland GmbH	Germany	30%	n/a	279
<b>Total</b>			<b>45,848</b>	<b>42,371</b>

Deferred taxes on tax loss carryforwards of Group companies were capitalized if it can be assumed from the planning that the loss carryforwards will be utilized. No deferred tax assets were recognized for tax loss carryforwards amounting to EUR 24,894 thousand (previous year: EUR 28,802 thousand). Deferred taxes are entirely non-current. Current income taxes are entirely current.

Some subsidiaries that only perform a holding function have tax loss carryforwards that are available to the Group for offsetting against future taxable profits of the respective companies. However, no deferred tax assets were recognized for these losses, as these losses may not be used to offset the taxable income of other Group companies and to the extent that they arose at an intermediate holding company, which generally does not generate positive taxable income. These losses can only be used under certain conditions, the fulfillment of which is currently not considered likely.

**6.11 PERSONNEL EXPENSES**

The expenses for employee benefits break down as follows:

EUR thousand	2023	2022
Wages and salaries	23,995	24,094
Social security contributions	4,774	4,588
Expenses for retirement provision	167	111
	<b>28,936</b>	<b>28,793</b>

Employer contributions to statutory pension insurance are classified as benefits to a defined contribution plan and are therefore recognized in full as an expense.

The annual average number of employees in the Group is broken down as follows:

Quantity	2023	2022
Management Board	3	3
Employees	758	833
	<b>761</b>	<b>836</b>

**7. NOTES TO THE BALANCE SHEET****7.1 ASSETS****7.1.1 Goodwill**

Goodwill is allocated to the individual subsidiaries or groups of companies as follows:

EUR thousand	12/31/2023	12/31/2022
Vita 34 AG	17,731	17,731
Stemlab Group (Stemlab S.A., Bebécord, Bebé4d)	8,416	9,356
Smart Cells Holdings Ltd.	4,350	4,272
FamiCord Suisse S.A.	2,250	2,162
Sevibe Group (Sevibe Cells S.L., FamiCordon)	1,412	1,577
eticur GmbH	1,378	1,378
FamiCord-Acibadem Kordon kanı sağlık hizmetleri	626	1,020
Secuvita S.L.	592	592
Diagnostyka Bank Komórek Macierzystych Sp. z o.o.	557	517
Longa Vita	435	403
Yaşam Bankası Sağlık Hizmetleri İç ve Dış Ticaret anonim şirketiv	238	236
Sorgente S.R.L.	–	133
Krionet Kft	120	114
	<b>38,106</b>	<b>39,491</b>

The development is as follows:

EUR thousand	2023	2022
Acquisition costs as of 1/1	56,600	56,870
Adjustments in accordance with IAS 29	90	0
Currency differences	-15,819	-270
<b>Acquisition costs as of 12/31</b>	<b>40,871</b>	<b>56,600</b>
Accumulated impairment losses as of 1/1	17,109	3,217
Impairment losses in the fiscal year	128	13,828
Departures		0
Currency differences	-14,471	64
<b>Accumulated impairment losses as of 12/31</b>	<b>2,766</b>	<b>17,109</b>
Carrying amount as of 1/1	39,491	53,653
<b>Carrying amount as of 12/31</b>	<b>38,106</b>	<b>39,491</b>

The Group carried out its annual impairment test as of December 31, 2023, in the fourth quarter of the fiscal year 2023 and independently of this if significant events or changes in circumstances occur that indicate a need for impairment. To identify an indication of impairment, the Group considers the relationship between market capitalization and carrying amount in addition to other factors. The impairment tests for the fiscal year 2023 resulted in a recoverable amount below the reported carrying amount for one cash-generating unit. In the reporting year 2022, the impairment test resulted in recoverable amounts below the carrying amounts for two cash-generating units.

The recoverable amounts of the respective cash-generating units are determined based on a value-in-use calculation using cash flow forecasts updated compared to the previous year, which are based on financial plans prepared by the respective company management for a period of five years. Cash flows after the five-year period are extrapolated using a growth rate of 1% to 2%.

The basic assumptions based on which the company management has prepared its cash flow forecasts for goodwill impairment testing are explained below.

The cash flow estimates cover a detailed planning period of five years before switching to perpetuity (present value equivalent terminal value). The detailed operational planning for 2024 approved by the Supervisory Board and the Management Board's five-year plan based on this, in which the management incorporates its medium-term expectations based on estimates of cost and price trends, serve as the basis.

**Growth rate** – Growth rates are determined by economic and other external factors and their impact on future development.

**Discount rates** – The discount rates were derived from the data of the companies included in the respective peer group, which reflect the subjective risk of this company. The starting point for deriving the capitalization interest rate is a risk-free interest rate, taking into account a country-specific market risk premium and a company-specific beta factor.

The discount rates used for the cash flow forecasts for the individual cash-generating units in the fiscal year are listed below:

in %	Discount rate before taxes 12/31/2023	Discount rate after taxes 12/31/2023
Vita 34 AG	9.5%	8.1%
Yaşam Bankası Sağlık Hizmetleri İç ve Dış Ticaret anonim şirketiv	67.7%	50.8%
FamiCord-Acibadem Kordon kanı sağlık hizmetleri	67.7%	50.8%
Krionet Kft	12.8%	11.6%
Longa Vita	12.1%	9.8%
Polski Bank Komorek Macierzystych Sp. z o.o.	12.1%	9.8%
Sorgente S.R.L.	12.7%	9.7%
Secuvita S.L.	9.9%	8.4%
Stemlab Group (Stemlab S.A., Bebécord, Bebé4d)	9.7%	7.7%
Sevibe Group (Sevibe Cells S.L., FamiCordon S.A.)	11.1%	8.4%
Smart Cells Holdings Ltd.	10.4%	7.9%
FamiCord Suisse S.A.	8.5%	7.8%
eticur GmbH	11.6%	8.1%

The discount rates used in the previous year are as follows:

in %	Discount rate before taxes 12/31/2022	Discount rate after taxes 12/31/2022
Vita 34 AG	9.2%	7.2%
Yaşam Bankası Sağlık Hizmetleri İç ve Dış Ticaret anonim şirketiv	20.6%	17.6%
FamiCord-Acibadem Kordon kanı sağlık hizmetleri	20.6%	17.6%
Krionet Kft	16.4%	15.6%
Longa Vita	14.9%	12.0%
Polski Bank Komorek Macierzystych sp. Z o.o.	13.6%	12.0%
Sorgente S.R.L.	12.9%	11.2%
Secuvita S.L.	11.8%	9.6%
Stemlab Group (Stemlab S.A., Bebécord, Bebé4d)	11.3%	9.9%
Sevibe Group (Sevibe Cells S.L., FamiCordon S.A.)	11.2%	9.6%
Smart Cells Holdings Ltd.	8.8%	8.6%
FamiCord Suisse S.A.	6.1%	5.8%
eticur GmbH	n/a	n/a

In the fiscal year 2023, the impairment test led to an impairment of goodwill in the amount of EUR 128 thousand for Sorgente S.R.L. In the comparative year, the impairment test resulted in an impairment of EUR 11.9 million for the Stemlab Group and EUR 1.9 million for the Sevibe Group. The impairment losses were recognized in the cost of sales in each case (Note 6.2). In all cases, the recoverable amount was below the carrying amount in accordance with the value in use method. Business activities in Italy are bundled in the Sorgente S.R.L. unit, the Stemlab Group operates in Portugal and the Sevibe Group conducts its business activities in Spain. The three units are allocated to the subgroup PBKM segment.

The recoverable amounts of the cash-generating units for which an impairment loss was recognized in the fiscal year or comparative year are as follows:

EUR thousand	12/31/2023	12/31/2022
Sorgente S.R.L.	251	n/a
Stemlab Group (Stemlab S.A., Bebécord, Bebé4d)	n/a	14,642
Sevibe Group (Sevibe Cells S.L., FamiCordon)	n/a	352

The impairment losses are primarily the result of a significant fall in earnings and higher capital costs due to the increase in the risk-free interest rate and borrowing costs.

#### Sensitivity of the assumptions made

As part of a sensitivity analysis for the cash-generating units, a reduction in the planned gross profit margins of the perpetual annuity by one percentage point, an increase in the discount rates (after taxes) by one percentage point and a reduction in the perpetual growth rate by one percentage point were assumed.

For the sensitivity analysis, the management has defined the possible changes to these assumptions based on past experience that could lead to a possible impairment. The calculation was carried out in accordance with IAS 36 on the assumption that these changes would not result in any further parameter changes (ceteris paribus). The values assigned to the key assumptions represent the Management Board's assessment of future developments in the relevant sectors and are based on historical values from primarily internal sources.

Due to impairment losses already recognized, a change in the above parameters of more than one percentage point for the Sorgente cash-generating unit leads directly to an additional impairment requirement.

The sensitivity analysis carried out for the reporting year shows that changes in the parameters for the cash-generating units specified in the table would lead to the following additional impairments:

EUR thousand	Impairment requirement in the event of a change in the respective parameter per cash-generating unit as of 12/31/2023 (sensitivity analysis)						
	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Additional impairment if the long-term WACC increases by 1%	-2,679	-338	-1,317	n/a	n/a	n/a	n/a
Additional impairment if the long-term EBIT margin is reduced by 1%	-1,776	-210	-550	n/a	-39	n/a	n/a
Additional impairment if the long-term growth rate is reduced by 1%	-3,890	-244	-911	n/a	n/a	n/a	n/a
Disclosure of the difference between recoverable amount and carrying amount	68	97	392	5,652	184	6,598	1,155

EUR thousand		Disclosure of the difference between recoverable amount and carrying amount					
Parameters	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Disclosure of the difference between recoverable amount and carrying amount	68	97	392	5,652	184	6,598	1,155

EUR thousand		Specification of the parameters used for the sensitivity analysis					
Parameters	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Long-term EBIT margin	10.3%	15.6%	17.2%	10.7%	12.2%	10.9%	9.6%
Long-term growth rate	2.0%	2.0%	1.0%	2.0%	35.4%	2.0%	2.0%

Percentage points		Change in the parameter per cash-generating unit as of 12/31/2023 that does not yet lead to an impairment loss					
Parameters	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
WACC	0.02	0.20	0.20	2.73	1.28	2.27	3.27
EBIT margin	-0.04	-0.31	-0.41	-1.18	-0.82	-7.16	-4.37
Long-term growth rate	-0.02	-0.23	-0.25	-3.38	-1.65	-3.15	-4.53

		Disclosure of the parameters that would lead to a recoverable amount that corresponds to the carrying amount					
Parameters	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Long-term EBIT margin	10.3%	15.3%	16.8%	9.6%	11.4%	3.8%	5.3%
Long-term growth rate	2.0%	1.8%	0.8%	-1.4%	33.8%	-1.2%	-2.5%



In the comparative year, two cash-generating units were identified for which a change in the parameters would have led to an additional impairment requirement: Stemlab Group and Sevibe Group. The sensitivity analysis carried out shows that changes in the parameters for the cash-generating units specified in the table would lead to the following additional impairment losses:

EUR thousand	Impairment requirement in the event of a change in the respective parameter per cash-generating unit as of 12/31/2022 (sensitivity analysis)						
	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Additional impairment if the long-term WACC increases by 1%	n/a	-2,387	n/a	n/a	n/a	-4,057	-232
Additional impairment if the long-term EBIT margin is reduced by 1%	n/a	-1,674	n/a	n/a	n/a	-1,791	-538
Additional impairment if the long-term growth rate is reduced by 1%	n/a	-2,234	n/a	n/a	n/a	-2,004	-187

EUR thousand	Disclosure of the difference between recoverable amount and carrying amount						
	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Disclosure of the difference between recoverable amount and carrying amount	48,101	-218	5,472	17,465	1,658	0	0

EUR thousand	Disclosure of the parameters used for the sensitivity analysis						
	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Long-term EBIT margin	21.9%	3.3%	17.7%	6.2%	27.7%	21.8%	5.6%
Long-term growth rate	2.5%	n/a	1.0%	1.0%	2.0%	2.0%	2.0%

Change in the parameter per cash-generating unit as of 12/31/2022 that does not yet lead to a value adjustment							
Percentage points	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Parameters							
WACC	32.13	n/a	6.94	21.60	20.78	n/a	n/a
EBIT margin	-8.91	n/a	-4.86	-3.01	-9.49	n/a	n/a
Long-term growth rate	-115.08	n/a	-9.76	-34.04	-28.66	n/a	n/a

Disclosure of the parameters that would lead to a recoverable amount that corresponds to the carrying amount							
EUR thousand	Vita 34 AG	eticur	SmartCells	Famicord Suisse	Acibadem	Stemlab Group	Sevibe Group
Parameters							
Long-term EBIT margin	8.3%	n/a	12.8%	3.2%	18.2%	n/a	n/a
Long-term growth rate	-112.6%	n/a	-8.8%	-33.0%	-26.7%	n/a	n/a

## 7.1.2 Other intangible assets

Other intangible assets developed as follows:

EUR thousand	Develop- ment costs	Patents and licenses	Acquired contracts	Customer relationships and brand names	Advance payments made	Total
Acquisition costs as of January 1, 2023	1,101	9,471	24,944	9,340	3	44,859
Additions	179	556	0	0	300	1,035
Departures	-12	-239	0	0	0	-251
Application of IAS 29	0	100	0	0	0	100
Currency differences	39	196	90	482	0	807
<b>Acquisition costs as of December 31, 2023</b>	<b>1,308</b>	<b>10,084</b>	<b>25,034</b>	<b>9,822</b>	<b>303</b>	<b>46,550</b>
Accumulated depreciation and impairment losses as of January 1, 2023	1,046	6,807	14,053	4,307	0	26,212
Depreciation and amortization for the fiscal year	2	871	1,467	544	0	2,884
Departures	0	-230	0	0	0	-230
Application of IAS 29	0	87	0	0	0	87
Currency differences	29	93	79	111	0	311
<b>Accumulated depreciation and impairment losses as of December 31, 2023</b>	<b>1,076</b>	<b>7,627</b>	<b>15,599</b>	<b>4,962</b>	<b>0</b>	<b>29,264</b>
Carrying amount as of January 1, 2023	55	2,664	10,891	5,034	3	18,647
<b>Carrying amount as of December 31, 2023</b>	<b>231</b>	<b>2,457</b>	<b>9,435</b>	<b>4,860</b>	<b>303</b>	<b>17,286</b>

In the fiscal year, the Group acquired licenses that are used in the development of gene therapies.

Overview of intangible assets as of December 31, 2022:

EUR thousand	Develop- ment costs	Patents and licenses	Acquired contracts	Customer relationships and brand names	Total
Acquisition costs as of January 1, 2022	1,147	9,085	24,969	9,485	44,686
Additions	196	368	0	0	565
Departures	-235	-1	0	0	-235
First-time application of IAS 29	0	161	0	0	161
Currency differences	-8	-139	-26	-145	-317
<b>Acquisition costs as of December 31, 2022</b>	<b>1,101</b>	<b>9,474</b>	<b>24,944</b>	<b>9,340</b>	<b>44,859</b>
Accumulated depreciation and impairment losses as of January 1, 2022	763	5,970	12,570	2,554	21,858
Depreciation and amortization for the fiscal year	54	814	1,499	642	3,009
Departures	0	-1	0	0	-1
Impairment losses	236	0	0	1,103	1,339
First-time application of IAS 29	0	100	0	0	100
Currency differences	-7	-55	-18	-14	-93
<b>Accumulated depreciation and impairment losses as of December 31, 2022</b>	<b>1,046</b>	<b>6,828</b>	<b>14,053</b>	<b>4,285</b>	<b>26,212</b>
Carrying amount as of January 1, 2022	384	3,114	12,399	6,931	22,828
<b>Carrying amount as of December 31, 2022</b>	<b>55</b>	<b>2,646</b>	<b>10,891</b>	<b>5,055</b>	<b>18,647</b>

In the fiscal year 2022, an impairment loss of EUR 236 thousand was recognized on capitalized development costs in the subgroup Vita 34 segment, as positive cash flows were no longer expected from the project. The impairment was due to the discontinuation of the project. In addition, impairment losses were recognized in the subgroup PBKM segment on brand names and customer relationships that were no longer expected to generate positive cash inflows as of the reporting date.

The acquired contracts, customer relationships and brand names include the following material assets as of December 31, 2023:

EUR thousand	Book value	Remaining useful life
Acquired storage contracts Seracell	5,093	9 to 14 years
Acquired storage contracts Vita 34 ApS	2,701	9 years
Trademark rights Smart Cells Holding	1,477	8 years
Acquired storage contracts Secuvita	1,081	3 years
Customer relations Smart Cells Holding	1,345	23 years
Trademark rights Sorgente	572	7 years
Bebecord trademark rights	570	6 years
Customer relations Acibadem	506	21 years
Acquired storage contracts Vivocell	350	3 years
Trademark rights Bebe 4d	202	6 years
Trademark rights eticur GmbH	161	7 years
Acquired storage contracts Smart Cells Holding	104	18 years
Acquired storage contracts Diagnostyka Bank Komórek Macierzystych	81	< 1 year
Customer relations Seracell	26	2 years
Acquired storage contracts Sorgente	13	< 1 year
Acquired storage contracts Stellacure	11	14 years
<b>Total</b>	<b>14,295</b>	

**7.1.3 Property, plant and equipment**

Property, plant and equipment developed as follows in the reporting year:

EUR thousand	Land and buildings	Technical installations	Operating equipment	Total
Acquisition costs as of January 1, 2023	9,456	25,577	9,258	44,291
Additions	688	2,221	500	3,409
Departures	-706	-656	-229	-1,591
Application of IAS 29	0	392	223	615
Additions to the scope of consolidation	0	0	0	0
Currency differences	322	402	372	1,096
<b>Acquisition costs as of December 31, 2023</b>	<b>9,761</b>	<b>27,935</b>	<b>10,124</b>	<b>47,820</b>
Accumulated depreciation and impairment losses as of January 1, 2023	3,008	11,491	5,359	19,858
Depreciation and amortization for the fiscal year	569	1,306	926	2,801
Departures	-238	-205	-397	-839
Application of IAS 29	0	179	158	337
Currency differences	159	-15	231	375
<b>Accumulated depreciation and impairment losses as of December 31, 2023</b>	<b>3,499</b>	<b>12,755</b>	<b>6,277</b>	<b>22,532</b>
Carrying amount as of January 1, 2023	6,448	14,086	3,899	24,433
<b>Carrying amount as of December 31, 2023</b>	<b>6,262</b>	<b>15,180</b>	<b>3,847</b>	<b>25,288</b>

Property, plant and equipment developed as follows in the previous year:

EUR thousand	Land and buildings	Technical installations	Operating equipment	Total
Acquisition costs as of January 1, 2022	7,695	23,502	8,089	39,286
Additions	2,753	2,027	1,086	5,866
Departures	-854	-174	-367	-1,395
First-time application of IAS 29	0	391	274	664
Currency differences	-138	-169	176	-130
<b>Acquisition costs as of December 31, 2022</b>	<b>9,456</b>	<b>25,577</b>	<b>9,258</b>	<b>44,291</b>
Accumulated depreciation and impairment losses as of January 1, 2022	2,432	10,167	4,826	17,425
Depreciation and amortization for the fiscal year	617	1,480	617	2,714
Departures	0	-186	-186	-372
First-time application of IAS 29	0	225	194	420
Currency differences	-41	-195	-92	-329
<b>Accumulated depreciation and impairment losses as of December 31, 2022</b>	<b>3,008</b>	<b>11,491</b>	<b>5,359</b>	<b>19,858</b>
Carrying amount as of January 1, 2022	5,263	13,335	3,264	21,861
<b>Carrying amount as of December 31, 2022</b>	<b>6,447</b>	<b>14,087</b>	<b>3,899</b>	<b>24,433</b>

**7.1.4 Rights of use**

The right-of-use assets from leases developed as shown in the following table:

EUR thousand	Land and buildings	Operating equipment	Total
Acquisition costs as of January 1, 2023	16,020	3,568	19,588
Additions	2,233	955	3,187
Modification of leases	915	23	938
Departures	-1,539	-599	-2,138
Additions to the scope of consolidation	0	0	0
Currency differences	592	-97	495
<b>Acquisition costs as of December 31, 2023</b>	<b>18,221</b>	<b>3,851</b>	<b>22,071</b>
Accumulated depreciation and impairment losses as of January 1, 2023	6,448	1,747	8,195
Depreciation and amortization for the fiscal year	2,274	603	2,877
Departures	-811	-565	-1,376
Impairment losses	0	0	0
Additions to the scope of consolidation	0	0	0
Currency differences	230	-24	207
<b>Accumulated depreciation and impairment losses as of December 31, 2023</b>	<b>8,141</b>	<b>1,762</b>	<b>9,903</b>
Carrying amount as of January 1, 2023	9,573	1,821	11,394
<b>Carrying amount as of December 31, 2023</b>	<b>10,080</b>	<b>2,089</b>	<b>12,169</b>

The right-of-use assets from leases developed as follows in the previous year:

EUR thousand	Land and buildings	Operating equipment	Total
Acquisition costs as of January 1, 2022	12,673	3,592	16,265
Additions	3,348	870	4,218
Modification of leases	194	13	207
Departures	-27	-573	-600
Currency differences	-168	-334	-502
<b>Acquisition costs as of December 31, 2022</b>	<b>16,020</b>	<b>3,568</b>	<b>19,588</b>
Accumulated depreciation and impairment losses as of January 1, 2022	4,482	1,771	6,253
Depreciation and amortization for the fiscal year	2,190	637	2,827
Departures	-196	-626	-822
Currency differences	-28	-35	-63
<b>Accumulated depreciation and impairment losses as of December 31, 2022</b>	<b>6,448</b>	<b>1,747</b>	<b>8,195</b>
Carrying amount as of January 1, 2022	8,191	1,821	10,012
<b>Carrying amount as of December 31, 2022</b>	<b>9,573</b>	<b>1,821</b>	<b>11,393</b>

Leases resulted in the following effects on earnings for the period:

EUR thousand	2023	2022
Amortization of leases	2,877	2,827
Expenses from short-term leases	792	1,061
Expenses from low-value leases	808	0
Interest expense for leases	920	395
<b>Expenses from leases</b>	<b>5,397</b>	<b>4,283</b>

Total payments for leases in the fiscal year amounted to EUR 4,589 thousand (previous year: EUR 3,709 thousand).

The Group has concluded various lease agreements that include an extension option. The management assesses whether this extension option can be exercised with sufficient certainty.

#### 7.1.5 Inventories

Inventories are made up as follows:

EUR thousand	12/31/2023	12/31/2022
Raw materials and supplies	3,273	3,774
Work in progress	16	22
Finished products	116	95
	<b>3,405</b>	<b>3,891</b>

In 2023, impairment losses on inventories in the amount of EUR 10 thousand (previous year: EUR 3 thousand) were recognized under cost of sales.

#### 7.1.6 Contract assets

The contract assets are made up as follows:

EUR thousand	12/31/2023	12/31/2022
Non-current contract assets	8,984	3,088
Current contract assets	4,028	2,509
	<b>13,012</b>	<b>5,598</b>

Non-current contract assets include receivables from annual payer contracts with contract term of several years. The receivables are due for payment within two to ten years. The increase in non-current contract assets is mainly due to the contract adjustments made in the previous fiscal year and the resulting accounting practice.

**7.1.7 Trade receivables**

Trade receivables break down as follows:

EUR thousand	12/31/2023	12/31/2022
Non-current trade receivables	395	580
Current trade receivables	12,856	12,751
	<b>13,251</b>	<b>13,331</b>

Under prepayment contracts, the customer pays for the storage of the stem cell deposit in advance for a period of 25 to 50 years. However, it is assumed that the benefits of the prepayment option do not constitute a provision of financial resources, but rather help the Group to ensure the profitability of its revenue-generating activities. Based on the above assessment, it is estimated that the exemption under IFRS 15.62 (c) applies to the contract type and that there is no significant financing component.

At the same time, trade receivables with a term of more than twelve months are reported separately under non-current assets and discounted using a standard market interest rate.

The value adjustments on trade receivables developed as follows:

EUR thousand	2023	2022
Value adjustments as of January 1	3,715	3,357
Additions (expenses for impairment)	193	1,125
Utilization	-108	-136
Resolution	-235	-551
Currency differences	451	-80
<b>Status as of December 31, 2023</b>	<b>4,015</b>	<b>3,715</b>

In the fiscal year 2023, expenses for the complete derecognition of trade receivables in the amount of EUR 136 thousand (previous year: EUR 76 thousand) were recognized. All expenses from valuation allowances and derecognition of trade receivables are reported under other expenses.

Trade receivables are written off if there is no reasonable expectation of recovery. Indicators that suggest that there is no reasonable prospect of recovery include the failure of a debtor to agree on a repayment plan with Vita 34.



**7.1.8 Other financial receivables and assets**

Other financial assets are made up as follows:

EUR thousand	12/31/2023		12/31/2022	
	Total	Thereof short-term	Total	Thereof short-term
Investments in shares	305	0	294	0
Loans to third parties	511	0	413	
Bank balances	130	0	212	
Means of payment not freely available	120	0	119	–
Other financial assets	1,620	1,614	1,950	1,943
	<b>2,686</b>	<b>1,614</b>	<b>2,988</b>	<b>1,943</b>

Further information can be found at Note 7.2.11.

**7.1.9 Other non-financial assets**

Other non-financial assets are made up as follows:

EUR thousand	12/31/2023		12/31/2022	
	Total	Thereof short-term	Total	Thereof short-term
Deferred expenses	2,641	1,139	2,772	1,248
Other assets	581	379	595	399
	<b>3,222</b>	<b>1,518</b>	<b>3,367</b>	<b>1,647</b>

The deferred expenses for the storage of cell deposits reported under non-financial assets correspond to the value of the services paid in advance for the storage of cell deposits and other biological materials over a period of between one and 30 years.

**7.1.10 Cash and cash equivalents**

Cash and cash equivalents break down as follows:

EUR thousand	12/31/2023	12/31/2022
Cash register	10	41
Cash and cash equivalents	17,406	16,249
	<b>17,416</b>	<b>16,290</b>

The item cash and cash equivalents corresponds to the level of cash and cash equivalents for the purposes of the cash flow statement.

## 7.2 EQUITY AND DEBT

### 7.2.1 Equity

The **subscribed capital** shows the capital stock of Vita 34 AG in accordance with the articles of incorporation and bylaws, pursuant to German stock corporation law. Equity is divided into 17,640,104 (prior year: 16,036,459) no-par value registered common shares, to which a pro rata amount of EUR 1.00 per share is allocated.

The **capital reserve includes** payments made in excess of the share capital and other payments by shareholders as part of capital measures as well as reserves from expired, unutilized share option plans.

The accumulated **losses carried forward** include the current result for the period.

The Management Board and Supervisory Board of Vita 34 AG propose that the accumulated loss reported in the annual financial statements of Vita 34 AG as of December 31, 2023, be carried forward to new account.

Actuarial gains and losses from defined benefit pension plans, gains and losses from financial assets measured at fair value through other comprehensive income and gains and losses from foreign currency translation are reported under **other reserves**.

As in the previous year, the Group held 208,342 **treasury shares** as of the balance sheet date.

#### Authorized capital

In accordance with Sec. 7 (2) of the Articles of Association of Vita 34 AG, there is authorized capital. By resolution of the Annual General Meeting on June 29, 2022, the Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's share capital once or several times by up to a total of EUR 8,018,229 by issuing up to 8,018,229 new no-par value ordinary registered shares against cash or non-cash contributions in the period up to June 28, 2027.

The Management Board made partial use of the authorization to increase the share capital by resolution of the Management Board and Supervisory Board on November 27, 2023 by issuing 1,603,645 no-par value registered shares.

The placement price was EUR 4.40 per new share. With the capital increase, the share capital was increased by EUR 1,603,645.00 to EUR 17,638,632.00 and the capital reserve was increased by EUR 5,452,393.00. The capital increase against cash contributions was carried out on December 19, 2023, with EUR 58,877.00 in transaction costs recognized as a deduction from equity.

Accordingly, the Management Board is still authorized by resolution of the Annual General Meeting on 29 June 2022 to increase the company's share capital by up to EUR 6,414,584 by issuing up to 6,414,584 new no-par value ordinary registered shares against cash or non-cash contributions on one or more occasions until 28 June 2027 with the approval of the Supervisory Board.

#### Conditional capital

The Annual General Meeting on December 15, 2021, resolved to increase the share capital by up to EUR 5,600,000.00 by issuing up to 5,600,000 no-par value registered shares (Conditional Capital 2021). The contingent capital 2017 was canceled by resolution of the Annual General Meeting on December 15, 2021.

#### Information on shareholdings in the capital of Vita 34 AG

The company had the following information on notifiable shareholdings in accordance with § 160 (1) no. 8 AktG (as of December 31, 2023)

Shareholder Value Beteiligungen AG notified us on September 4, 2023, that its share of the voting rights in Vita 34 AG, held directly or indirectly, exceeded the threshold of 5.00% of the voting rights in our company on August 31, 2023 and amounted to 871,273 voting rights or 5.43% of the voting rights on this date.

The capital shares have changed as part of the capital increase. AOC Health GmbH holds 58.45% of the shares as of December 31, 2023 (previously 54.98%), Jakub Baran holds 3.56% of the shares (previously 3.78%). The shareholding of Shareholder Value Beteiligungen AG, on the other hand, remained unchanged at 5.43%.

**7.2.2 Interest-bearing loans**

The interest-bearing loans are as follows:

EUR thousand	12/31/2023		12/31/2022	
	Total	Thereof short-term	Total	Thereof short-term
Liabilities to banks	8,467	5,079	15,492	13,769
Other financial liabilities	0	0	11	11
	<b>8,467</b>	<b>5,079</b>	<b>15,503</b>	<b>13,779</b>

The loan liabilities are made up as follows:

EUR thousand	Interest rate in %	Maturity	12/31/2023	12/31/2022
Credit line Vita 34	6.25	2024	3,500	0
Fixed-rate loan Vita 34	6.25	2027	3,049	0
Stemlab, SA Loan	4.96	2028	507	0
Stemlab, SA Loan	4.86	2026	417	583
Stemlab, SA Loan	4.86	2026	417	583
Famicord Suisse Loans	0	2027	188	223
Sorgente loans	EURIBOR + 1.75	2027	126	160
Sorgente loans	0	2024	116	57
Stemlab, SA Loan	6.02	2026	98	142
Sorgente loans	2.6	2026	80	109
Sorgente loans	2.1	2026	69	94
Stemlab, SA Loan	0	2026	40	178
SmartCells International Loans	2.50	2027	30	40
Sorgente loans	2.5	2024	25	66
Sorgente loans	2.75	2024	20	45
CMM Loan	1.50	2025	20	34
Secuvita loan	0	2024	5	11
Stemlab, SA Loan	0	2023	n/a	1
Vita 34 Loan	3-month EURIBOR + 2	2023	n/a	4,223
Vita 34 Loan	2.35 or 2.2	2023	n/a	750
PBKM Loan	EURIBOR + 2.2	2023	n/a	8,026
Stemlab, SA Loan	4.10	2023	n/a	150
Stemlab, SA Loan	4.66	2023	n/a	9
Sorgente loans	1.50	2023	n/a	7
			<b>8,707</b>	<b>15,491</b>

The difference of EUR 241 thousand between this list of loan liabilities and the reported value of EUR 8,467 thousand results from adjustments using the effective interest method.

The fixed-rate loan of Vita 34 AG in the amount of EUR 3,049 thousand (nominal amount: EUR 8,000 thousand) and the overdraft facility in the amount of EUR 3,500 thousand (credit line of EUR 10,000 thousand) are collateralized as follows:

There is a blanket assignment of the borrower's receivables from deliveries of goods and services against the third-party debtors beginning with the letters A-Z as well as assignment by way of security of the borrower's fixed assets at the Leipzig site, Perlickstraße 5, together with assignment of the claims from the existing and future damage insurance policies for the collateral.

In addition, the following collateral is provided by third parties:

There is an unlimited guarantee totaling EUR 18,000 thousand from Polski Bank Komórek Macierzystych Sp. z o. o., Warsaw, as well as a collateral assignment of the fixed assets of Seracell Pharma GmbH at the Rostock site, together with the assignment of claims from existing and future damage insurance policies for the collateral.

Under the agreement, the Group must comply with certain financial covenants.

### 7.2.3 Provisions

Provisions developed as follows:

EUR thousand	2023	2022
As of January 1 of the fiscal year	325	295
Feed	108	74
Consumption	5	26
Resolution	20	18
Currency differences	-3	0
<b>As of December 31 of the fiscal year</b>	<b>405</b>	<b>325</b>

Provisions of EUR 5 thousand (previous year: EUR 5 thousand) will be recognized in the following year.

The provisions mainly include provisions for therapy cost subsidies in the event that a drug is used, insofar as these subsidies are contractually agreed.

### 7.2.4 Pension provisions

In 2014, the pension commitment with a former member of the Management Board was revised. Accordingly, the pension commitment valid until then was limited to the entitlements earned up to July 31, 2014. This is a defined benefit pension plan (funded), for which contributions were made to a separately managed pension fund. The amounts included in the financial statements have developed as follows:

EUR thousand	12/31/2023	12/31/2022
Present value of the defined benefit obligation	308	273
Fair value of the plan assets	-412	-405
Effects from the recognition cap	104	132
<b>Liability from the defined benefit obligation</b>	<b>0</b>	<b>0</b>

In accordance with IAS 19.113, the present value of the defined benefit obligation and the fair value of the plan assets are netted. The plan assets include a long-term fund for the fulfillment of employee benefits that precisely covers all promised benefits in terms of their amount and due date. The recognition of plan assets is therefore limited to the present value of the obligations covered.

## Development of the present value of the defined benefit obligation:

EUR thousand	12/31/2023	12/31/2022
Present value of the defined benefit obligation as of January 1	273	435
Interest expense	10	6
<b>Revaluations</b>		
Actuarial gains/losses due to changes in financial assumptions	25	-168
<b>Present value of the defined benefit obligation as of December 31</b>	<b>308</b>	<b>273</b>

## Development of the fair value of plan assets:

EUR thousand	12/31/2023	12/31/2022
Fair value of plan assets as of January 1	405	399
Employer contribution	0	0
Interest income	16	5
<b>Revaluations</b>		
Income from plan assets excluding amounts included in net interest expenses and income	-9	1
<b>Fair value of plan assets as of December 31</b>	<b>412</b>	<b>405</b>

The pension obligations as of December 31, 2023, were measured using the Heubeck RICHTTAFELN 2018 G biometric calculation basis in accordance with the projected unit credit method.

The calculation was based on the following assumptions:

in %	12/31/2023	12/31/2022
Discount rate	3.4	3.9
Salary trend	0.0	0.0
Pension trend	1.9	1.9

Due to the reinsurance policy taken out, no effects on the obligation from the pension plan or cash outflows by the company are expected in subsequent years.

**7.2.5 Deferred benefits**

The investment grants and subsidies reported under grants developed as follows:

EUR thousand	2023	2022
As of January 1 of the fiscal year	978	1,196
Access	57	403
Released to income	-194	-618
Currency differences	7	-3
<b>As of December 31 of the fiscal year</b>	<b>848</b>	<b>978</b>
Short-term benefits	206	256
Long-term benefits	642	723
<b>As of December 31 of the fiscal year</b>	<b>848</b>	<b>978</b>

The grants are amortized on a straight-line basis over the useful life of the subsidized assets. If the conditions of the funding providers are not met, there may be an obligation to repay the funds granted.

**7.2.6 Repayment obligations**

The repayment obligations are fully classified as current and have developed as follows:

EUR thousand	12/31/2023	12/31/2022
Repayment liabilities	25,354	24,470
	<b>25,354</b>	<b>24,470</b>

The repayment liabilities include customers' repayment claims to which they are entitled if they switch to another contract model or exercise a statutory right of termination before the end of the minimum contractual term.

## 7.2.7 Contract liabilities

EUR thousand	12/31/2023	12/31/2022
Obligation to fulfill concluded storage contracts – long-term	3,086	3,236
Obligation to fulfill concluded storage contracts – short-term	145	943
	<b>3,231</b>	<b>4,179</b>
Prepayment for storage – long-term	56,335	42,656
Prepayment for storage – short-term	7,063	12,910
	<b>63,398</b>	<b>55,566</b>
	<b>66,629</b>	<b>59,745</b>

The obligations to fulfill storage contracts are obligations assumed as part of business combinations for the storage of stem cell deposits over a contract-specific storage period. When they expire, the short-term obligations to fulfill concluded storage contracts will be recognized as income in the fiscal year 2024. The non-current portion of the obligations will be recognized in income from the fiscal year 2025.

The item developed as follows in the reporting period:

EUR thousand	2023	2022
As of January 1 of the fiscal year	4,179	3,737
Prepayments from previous periods included in revenue from storage	-943	-137
Prepayments received and accrued in the fiscal year	-5	579
<b>As of December 31 of the fiscal year</b>	<b>3,231</b>	<b>4,179</b>

Prepayments for storage include storage fees received in advance from customers for periods of between one year (short-term) and 50 years (long-term), which are recognized as revenue on a straight-line basis over the storage period.

The item developed as follows in the reporting period:

EUR thousand	2023	2022
As of January 1 of the fiscal year	55,566	52,745
Prepayments from previous periods included in revenue from storage	-12,910	-14,649
Prepayments received and accrued in the fiscal year	20,741	17,470
<b>As of December 31 of the fiscal year</b>	<b>63,398</b>	<b>55,566</b>

**7.2.8 Trade accounts payable**

Trade payables amount to EUR 9,886 thousand (previous year: EUR 8,056 thousand), are non-interest-bearing and are normally due within 14 to 30 days.

**7.2.9 Other financial liabilities**

Other financial liabilities are made up as follows:

EUR thousand	12/31/2023		12/31/2022	
	Total	Thereof short-term	Total	Thereof short-term
Put options on non-controlling interests	1,381	–	3,701	689
Other	1,401	1,401	1,089	1,089
	<b>2,782</b>	<b>1,401</b>	<b>4,790</b>	<b>1,778</b>

Other financial liabilities primarily include liabilities from put options that were granted to non-controlling shareholders of group companies within the scope of business combinations. Vita 34 can be obligated to purchase existing put options held by non-controlling shareholders as the writer. The amount expected to be paid is determined based on the respective contractual agreements for compensation of the non-controlling shareholders in the event of a put option, which represents an approximation of the pro rata enterprise value on the basis of company-specific variables and multipliers.

**7.2.10 Other non-financial liabilities**

Other non-financial liabilities break down as follows:

EUR thousand	12/31/2023		12/31/2022	
	Total	Thereof short-term	Total	Thereof short-term
Employee and Management Board benefits	2,397	2,397	1,896	1,896
Liabilities from taxes	1,094	1,094	877	877
Liabilities within the framework of social security	455	455	664	664
Other non-financial liabilities	149	149	166	166
	<b>4,095</b>	<b>4,095</b>	<b>3,603</b>	<b>3,603</b>

Other non-financial liabilities mainly include liabilities from sales taxes and for social security contributions.



**7.2.11 Additional disclosures on financial instruments**

The carrying amounts of the financial assets and financial liabilities are shown in the following tables. The fair value of non-current interest-bearing loans is determined using a DCF model. The main input factors are the risk-free interest rates observable on the market and a credit spread specific to Vita 34 and dependent on the term. The calculated fair value differs only insignificantly from the carrying amount of the loans. The fair value corresponds to level 3 of the fair value hierarchy. Otherwise, the fair value of the financial assets and other financial liabilities corresponds approximately to the carrying amount.

EUR thousand	12/31/2023	12/31/2022
<b>Financial assets</b>		
<b>Financial assets at amortized cost</b>		
Trade receivables	13,251	13,331
Other financial assets	2,261	2,534
Other financial assets	305	293
<b>Financial assets measured at fair value through profit or loss</b>		
Derivative financial instruments	–	42
<b>Total financial assets</b>	<b>15,816</b>	<b>16,200</b>
<b>Financial liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Interest-bearing loans	8,467	15,503
Liabilities from deliveries and services	9,886	8,056
Other financial liabilities	1,401	1,778
	<b>19,754</b>	<b>25,337</b>
<b>Financial liabilities measured at fair value through profit or loss</b>		
Put options	1,381	3,701
<b>Total financial liabilities</b>	<b>21,135</b>	<b>29,038</b>

Trade receivables, other financial receivables, trade payables and other financial liabilities generally have short residual 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 standard market interest rate. They are categorized in level 3 of the fair value hierarchy.

The net results of financial assets and financial liabilities by measurement category were as follows:

EUR thousand	Financial income	Financial expenses	Other expenses	Total
<b>2023</b>				
Financial assets at amortized cost	127	0	-1,128	-1,001
Financial assets measured at fair value through profit or loss	0	0	0	0
Financial liabilities at amortized cost	0	-685	0	-685
	<b>127</b>	<b>-685</b>	<b>-1,128</b>	<b>-1,686</b>
<b>2022</b>				
Financial assets at amortized cost	72	0	-1,290	-1,218
Financial assets measured at fair value through profit or loss	60	0	0	60
Financial liabilities at amortized cost	0	-876	0	-876
	<b>132</b>	<b>-876</b>	<b>-1,290</b>	<b>-2,034</b>

## 8. NOTES TO THE CASH FLOW STATEMENT

In accordance with IAS 7 “Cash Flow Statements”, the consolidated cash flow statement shows the development of cash flows for the reporting year and the previous year, broken down into cash inflows and outflows from operating, investing and financing activities. Cash flows from operating activities are calculated using the indirect method.

As in the previous year, cash and cash equivalents include cash on hand and bank balances. It corresponds to the balance sheet item “Cash and cash equivalents”.

### Changes in liabilities from financing activities

The following table shows the reconciliation of changes in liabilities from financing activities:

EUR thousand	Liabilities to banks	Leasing liabilities	Total
<b>Status on January 1, 2022</b>	<b>21,462</b>	<b>10,979</b>	<b>32,441</b>
Changes affecting payments	-6,322	-2,648	-8,970
Non-cash changes (see below)	363	4,357	4,720
Other non-cash changes	232	188	420
Leasing	0	4,216	4,216
Currency conversion	131	-47	192
<b>Status as of December 31, 2022</b>	<b>15,503</b>	<b>12,688</b>	<b>28,191</b>
Changes affecting payments	-7,792	-2,989	-10,781
Non-cash changes (see below)	755	3,411	4,166
Other non-cash changes	8	89	97
Leasing	0	3,415	3,415
Currency conversion	747	-93	654
<b>Status as of December 31, 2023</b>	<b>8,466</b>	<b>13,110</b>	<b>21,576</b>

## 9. OTHER INFORMATION

### 9.1 TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

#### 9.1.1 General information

Subsidiaries, associated companies, key management personnel, as well as persons who exert a significant influence on the financial and business policies of Vita 34 can be classified as related parties of Vita 34. Furthermore, due to the control situation of AOC Health GmbH over Vita 34 AG, all other companies directly or indirectly controlled by AOC Health GmbH, which are not included in the consolidated financial statements of Vita 34, are also considered related parties.

An overview of the group of companies above Vita 34 AG is contained in section 4.

#### 9.1.2 Transactions with members of the Management Board

Transactions with members of the Management Board in the fiscal year arose exclusively from remuneration payments. The following gentlemen were appointed to the Management Board in the fiscal year 2023:

Jakub Baran	Chief Executive Officer (CEO)
Tomasz Baran	Chief Commercial Officer (CCO)
Dirk Plaga	Chief Financial Officer (CFO) until December 31, 2023

The remuneration of the members of the Management Board is as follows:

	2023	2022
Short-term benefits (fixed remuneration, short-term variable remuneration components, other remuneration components)	756	698
Benefits after termination of the employment relationship	83	66
Severance payments for members of the Management Board who left during the reporting year	220	289
Share-based payment	0	36
	<b>1,059</b>	<b>1,089</b>

The amount and structure of Management Board remuneration are determined by the Supervisory Board in accordance with § 87 AktG. In principle, Management Board remuneration consists of (1) fixed basic remuneration, (2) optional performance-related variable remuneration and (3) fringe benefits.

The fixed component is the contractually agreed basic remuneration (EUR 675 thousand; previous year: EUR 587 thousand), which is paid out in twelve equal monthly amounts. The basic remuneration is paid in the amount of EUR 503 thousand (previous year: EUR 475 thousand) by Vita AG, EUR 162 thousand (previous year: EUR 112 thousand) by PBKM and EUR 10 thousand (previous year: EUR 10 thousand) by Sevibe.

Since September 1, 2022, the Management Board service contracts have implemented the new Relevant Remuneration System III, which was approved by the Supervisory Board on June 29, 2022. Relevant Remuneration System III has the same remuneration components as Relevant Remuneration System II, which was agreed in the contracts of Mr. Jakub Baran and Mr. Tomasz Baran on 22 March 2022 and in the contract of Mr. Dirk Plaga dated 1 August 2022. All benefits owed under this system were paid in the reporting year and are included in the benefits due in the short term listed above. There are no further claims.

Based on the Management Board service contracts that came into force on September 1, 2022, the members of the Management Board are entitled to short-term variable remuneration (short-term incentive ("STI") linked to specific performance indicators in addition to their fixed remuneration and fringe benefits. The specific performance indicators are (a) adjusted Group EBITDA (IFRS) before bonus, (b) adjusted Group sales (IFRS) and (c) an individual target, which in turn can consist of several components. The adjustments to key performance indicators (a) and (b) are made to eliminate one-off effects. The total target amount is divided into three sub-target amounts (a), (b) and (c) according to the three performance indicators (a), (b) and (c). Between the degrees of target achievement of 80% to 100% and 100% to 120% respectively, the partial target amount payable is calculated by linear interpolation. An incentive bonus is only paid out in total if a target achievement level of at least 80% is determined for each of the two performance indicators (a) and (b). As of December 31, 2023, no agreement had been concluded for this remuneration component, meaning that no payments were made by the company.

In addition, a long-term bonus (long-term incentive ("LTI")) geared towards sustainable corporate development was agreed. Sustainability is understood to mean a four-year assessment basis ("LTI bonus period"). The payment of a long-term bonus consists of the following sustainable target components ("sustainability components"):

- Granting of virtual share options to incentivize the increase in the company's share price over the LTI bonus period ("sustainability component 1"). Explanations on this are summarized in section 9.2,
- Fulfillment of targets for the Group's innovation performance over the LTI bonus period ("sustainability component 2").

The target value for sustainability component 2 corresponds to a target achievement of 100%. The lower threshold value is a target achievement of 80% or more, and the target achievement is limited to an upper threshold value of 120%.

In addition, the Supervisory Board of the company may, at its reasonable discretion, grant an additional voluntary discretionary bonus after the end of the respective fiscal year in the event of extraordinary performance by a member of the Management Board for the company. The maximum gross amount for the discretionary bonus is contractually agreed with the respective Management Board member. The Management Board member has no legal entitlement to the discretionary bonus.

In the fiscal year 2023, such a discretionary bonus has been accrued in the amount of the contractually agreed maximum amounts of EUR 31 thousand.

In addition, the members of the Management Board receive fringe benefits (EUR 31 thousand; previous year: EUR 31 thousand), which mainly consist of benefits for social security contributions and the private use of company cars and are taxed individually by the members of the Management Board.

The obligations recognized in the pension provision relate entirely to former members of the Management Board. There are no pension commitments to members of the Management Board employed in the fiscal year 2023. The disclosures on pension provisions are presented in detail in section 7.2.4.

Another transaction with members of the Management Board is the subscription of 22,727 shares by the Chairman of the Management Board Jakub Baran with a total value of EUR 99,998.80 as part of the capital increase carried out in the reporting year.

**9.1.3 Transactions with the Supervisory Board**

The following persons were appointed to the Supervisory Board in the fiscal year 2023:

Dr. Alexander Granderath (Chairman)	<ul style="list-style-type: none"> <li>– Chairman of the Supervisory Board of Francotyp Postalia GmbH</li> <li>– Member of the Advisory Board of the Serafin Group of Companies</li> </ul>
Florian Schuhbauer (Deputy Chairman)	<ul style="list-style-type: none"> <li>– Partner, Active Ownership Capital S.à.r.l. and Active Ownership Corporation S.à.r.l. (AOC)</li> </ul>
Frank Köhler	<ul style="list-style-type: none"> <li>– Co-founder of Aroma Company GmbH</li> <li>– Partner and director of Aroma Company Köhler &amp; Weckesser GbR</li> <li>– Member of the Supervisory Board of Shop Apotheke Europe N.V.</li> <li>– Managing Director of Humiecki &amp; Graef GmbH</li> </ul>
Dr. Ursula Schütze-Kreilkamp	<ul style="list-style-type: none"> <li>– Head of Human Resources Group Management KFK, Deutsche Bahn AG</li> </ul>
Konrad Mitterski	<ul style="list-style-type: none"> <li>– Vice President of the Board of Directors, Herkules SA</li> </ul>
Paul Owsianowski	<ul style="list-style-type: none"> <li>– Partner, Active Ownership Advisors GmbH</li> </ul>

The remuneration system for the Supervisory Board is regulated in Article 18 of the company's Articles of Association and sets out both the abstract and the concrete framework for the remuneration of Supervisory Board members.

Supervisory Board remuneration generally consists of fixed basic remuneration and fringe benefits (liability insurance and expenses). In the fiscal year 2023, payments were made to the Supervisory Board in the amount of EUR 174 thousand (previous year: EUR 195 thousand), which were due in the short term.

**9.1.4 Transactions with related parties**

Business transactions with related parties were as follows:

	Deliveries and services rendered		Deliveries and services received	
	2023	2022	2023	2022
BioPlanta GmbH	0	0	0	18
Nardus Consulting	0	0	76	68
Sorgente Genetica s.r.l.	0	140	0	16
Imunolita UAB	0	19	0	0

The companies listed are non-consolidated subsidiaries.

Transactions with related parties mainly relate to the sale of goods and service relationships. The expenses to Nardus Consulting relate to expenses for the rental of office and laboratory space. These took place at arm's length conditions, as is customary with third parties.

AOC Health GmbH subscribed to 1,493,791 shares with a total value of EUR 6,572,680.40 as part of the capital increase carried out in the fiscal year. Shareholder Value Beteiligungen AG subscribed to 87,127 shares with a total value of EUR 87,131.40.

On April 25, 2023, ACTIVE OWNERSHIP FUND SICAV-FIS SCS (AOF) issued a letter of comfort in favor of the company to ensure the company's solvency and avoid over-indebtedness of the company. The payment obligation of AOF is limited to a maximum amount of EUR 10,000,000.00 in total. The obligations of the AOF under this letter of comfort expired with the conclusion of new credit lines of the company on August 15, 2023.

As in the previous year, there were no outstanding receivables and liabilities as of December 31, 2023.

## 9.2 SHARE-BASED PAYMENT PROGRAMS

### Cash-settled share-based payment programs

Sustainability component 1 of the LTI program consists of a program based on virtual stock options (VSOs) (“VSO program”). A VSO corresponds to a virtual subscription right to a share in the company, i.e. it is not a (genuine) option to acquire shares in the company. However, with the consent of the Management Board member, the Company can also fulfill its obligation to pay out the share price-based remuneration in cash by transferring shares of Vita 34 AG, for example from the treasury stock. Since the recipients of the share price-based remuneration can ultimately decide on the form of compensation, it is a compound financial instrument that contains a liability component and an equity component. However, as the recipients would have to waive the right to cash settlement to receive the equity alternative with the same fair value, the entire fair value of the grant is recognized as a liability.

The key points of the VSO program are presented below:

Systematics	<p>Annual issue of a number of VSOs in the first week of October, which are automatically exercised to a certain extent at certain times (“vesting”). Vesting takes place in three steps:</p> <ul style="list-style-type: none"> <li>– 33% of VSOs after 2 years following issue (holding period),</li> <li>– A further 33% of VSOs after 3 years following issue</li> <li>– and the remaining 34% of VSOs after 4 years following issue.</li> </ul>
Term/fulfillment	<ul style="list-style-type: none"> <li>– Term: 4 years;</li> <li>– Immediate vesting of all outstanding VSOs if no closing auction prices are determined for the company’s shares on XETRA for ten consecutive trading days or in the event of a change of control;</li> <li>– payment claim in cash or, at the company’s discretion and with the consent of the Executive Board member, in shares.</li> </ul>
Calculation parameters/payout	<ul style="list-style-type: none"> <li>– The amount of the remuneration is calculated as the difference between the arithmetic mean of the XETRA closing auction prices of the last 20 trading days (alternatively the last 20 closing auction prices determined) of the month of September in the year of issue (initial value) and in the year of exercise of the VSOs (final value);</li> <li>– Adjustment to take account of dividend payments and capital measures;</li> <li>– Payment is made in the month of December of the year of the respective vesting unless a later payment is required for legal reasons in the case of payment in shares.</li> </ul>
Restrictions	<ul style="list-style-type: none"> <li>– Automatic exercise takes place at the aforementioned times as long as the Executive Board member is in office or if the term of office has ended due to (a) reaching an age limit or (b) an important reason in accordance with § 626 BGB from the sphere of the company;</li> <li>– The final value does not have to meet a minimum hurdle compared to the initial value. If the final value is lower than the initial value, no payment is made.</li> </ul>
Cap	<ul style="list-style-type: none"> <li>– Limitation of the final value to three times the initial value.</li> </ul>

The number of VSOs to be allocated to each Management Board member (on average per year of the term of the program) is based on the total target remuneration set by the Supervisory Board for the Management Board member, assuming that the internal forecasts for the development of the shares are achieved. Taking into account the provisions of the remuneration system, in particular the maximum remuneration, it is also possible to conclude a further VSO agreement during the term of a VSO agreement.

As the performance of the VSOs is directly linked to the performance of the company’s share price and vesting takes place over a total period of four years, the VSO program creates an incentive to positively influence the company’s performance over the long term in the interests of shareholders. At the same time, the Executive Board member not only participates in a positive development of the company, as a negative development of the share price also has an impact on the amount paid out.

No VSOs were issued in the reporting year. In the previous year, a total of 130,314 VSOs were issued to Jakub Baran and 59,234 VSOs each to Tomasz Baran and Dirk Plaga at an initial value of EUR 8.70 each, which are vested in three tranches over the four-year term. For subsequent years, the number of VSOs will be determined by the Supervisory Board at its own discretion.

A provision was recognized as a liability in the amount of the fair value of the share-based payment pro rata temporis in accordance with the period already earned. The models used to value the option plans are based on arbitrage-free valuation according to Black/Scholes. The volatilities are determined based on the monthly closing prices over a historical period of three years.

The parameters used are listed in the following table:

	Unit	12/31/2023	12/31/2022
Fair value	EUR	0.08 – 0.63	1.36 – 1.93
Share price on the reporting date	EUR	5.24	7.82
Carrying amount of the obligation	EUR	24,638	35,987
Base price	EUR	8.70	8.70
Risk-free interest	%	2.6 – 3.4	2.0
Annualized volatility	%	39.55	39.45
Runtime	years	0.75 – 2.75	1.75 – 3.75

Reconciliation of outstanding share options:

	2023	2022
Number of options		
<b>Outstanding as of January 1</b>	<b>248,782</b>	–
Expire during the year	59,234	–
Exercised during the year	–	–
Committed during the year	–	248,782
<b>Outstanding as of December 31</b>	<b>189,548</b>	<b>248,782</b>
<b>Exercisable as of December 31</b>	<b>–</b>	–

Sustainability component 2 is measured based on the fulfillment of the targets set by the Supervisory Board for the company's innovation performance (Vitality Index) over the LTI bonus period.

Innovation performance – in the sense of the development of new technologies, products or product features – is a key factor for the company's future economic success and is also easy to measure: the Vitality Index indicates the proportion of sales generated by products that have been launched on the market in the past four years and are technically innovative.

The Management Board member receives annual prepayments on an assumed payout amount in relation to sustainability component 2 in an amount to be agreed between the Supervisory Board and the Management Board member in EUR per fiscal year. At the end of the LTI bonus period, the amounts are adjusted based on the actual degree of target achievement and offset against the prepayments. If the Management Board member's variable remuneration for the fiscal year is not sufficient to offset the amounts to be reimbursed, they are offset against other remuneration components (e.g. fixed salary, STI or payments from the VSOs). The applicable statutory garnishment limits must be observed.



Share-based payment with compensation through equity instruments

The share-based payment programs discussed in this section relate to the subsidiary FamiCordTx S.A. FamiCordTx S.A. launched an option program for management, senior executives and other key employees in fiscal year 2023. In this context, the company will issue options in three tranches with a vesting period of one year in the fiscal years 2023, 2024 and 2025. Each tranche has a vesting period of six months. Furthermore, the options can only be exercised if defined performance targets are achieved.

The fair value of the company shares on which the options are based was determined at the grant date, April 14, 2023, using the discounted cash flow method (free cash flow). To calculate the fair value, the future cash flows are estimated on the basis of budget planning. The parameters used are listed in the following table:

	Unit	12/31/2023	12/31/2022
Fair value of company share	EUR	165.80	n/a
Carrying amount of the obligation	EUR	98,867	n/a
Base price	EUR	0.23	n/a
Risk-free interest	%	3.95	n/a

The following table summarizes the options outstanding in the fiscal year:

	2023	2022
Number of options		
<b>Outstanding as of January 1</b>	-	n/a
Expire during the year	-	n/a
Exercised during the year	-	n/a
Committed during the year	2,060	n/a
<b>Outstanding as of December 31</b>	<b>2,060</b>	<b>n/a</b>
<b>Exercisable as of December 31</b>	<b>-</b>	<b>n/a</b>

The fair value of the shares in the amount of EUR 99 thousand was recognized directly in equity.

**9.3 AUDITORS' FEES AND SERVICES IN ACCORDANCE WITH § 314 HGB**

The total fee charged for the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in fiscal year 2023 amounted to EUR 609 thousand (previous year: EUR 555 thousand) and relates to auditing services for the statutory audits of the annual and consolidated financial statements of Vita 34 AG. In addition, the Group incurred further fees for companies in the PricewaterhouseCoopers network in the amount of EUR 147 thousand for auditing services and EUR 19 thousand for tax advisory services.

**9.4 EARNINGS PER SHARE**

When calculating basic/diluted earnings per share, the earnings attributable to the holders of ordinary shares in the parent company are divided by the weighted average number of ordinary shares in circulation during the year. The capital increase carried out in the fiscal year 2023 has been taken into account in the calculation of the average number of shares in circulation.

Basic/diluted earnings per share are calculated as follows:

EUR thousand	2023	2022
Loss from continuing operations	-2,033	-27,384
Less: portion attributable to non-controlling interests	168	298
<b>Result from continuing operations attributable to shareholders of Vita 34 AG</b>	<b>-1,865</b>	<b>-27,087</b>
Number of shares outstanding (weighted average)	15,880,840	15,828,117
<b>Earnings per share (EUR)</b>	<b>-0.12</b>	<b>-1.71</b>

Weighted average number of ordinary shares used to calculate basic/diluted earnings per share:

	2023	2022
Ordinary shares as of January 1 of the fiscal year	16,036,459	16,036,459
New ordinary shares from capital increase in the fiscal year	1,603,645	0
Ordinary shares as of December 31 of the fiscal year	17,640,104	16,036,459
less treasury shares	-208,342	-208,342
Ordinary shares as of December 31 of the fiscal year without treasury shares	17,431,762	15,828,117
Weighted average of ordinary shares for the calculation of basic/diluted earnings per share	15,880,840	15,828,117

#### 9.5 CONTINGENCIES AND OTHER FINANCIAL OBLIGATIONS

As of the reporting date of December 31, 2023, the Group had obligations to purchase property, plant and equipment in the amount of EUR 854 thousand (December 31, 2022: EUR 873 thousand) and other obligations in the amount of EUR 0 thousand (December 31, 2022: EUR 97 thousand).

#### 9.6 EVENTS AFTER THE REPORTING DATE


There were no events after the reporting date that had a material impact on the Group's net assets, financial position or results of operations.

Leipzig, April 29, 2024

Management Board of Vita 34 AG



Jakub Baran  
CEO



Tomasz Baran  
CCO



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# RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements and the consolidated financial statements of Vita 34 AG give a true and fair view of the net assets, financial position and results of operations of the company and the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the company and the Group.

Leipzig, in April 2024

Management Board of Vita 34 AG



Jakub Baran  
CEO



Tomasz Baran  
CCO

# INDEPENDENT AUDITOR'S REPORT

To Vita 34 AG, Leipzig

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

### AUDIT OPINIONS

We have audited the consolidated financial statements of Vita 34 AG, Leipzig, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of profit and loss, consolidated statement of changes in group equity and consolidated cash flow statement for the fiscal year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including significant disclosures on accounting policies. In addition, we have audited the group management report of Vita 34 AG, which is combined with the Company's management report, for the fiscal year from January 1 to December 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the fiscal year from January 1 to December 31, 2023, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

## **BASIS FOR THE AUDIT OPINIONS**

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

## **KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. Impairment of goodwill
2. Accounting for sales revenue in accordance with IFRS 15

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information



Hereinafter we present the key audit matters:

#### 1. IMPAIRMENT OF GOODWILL

1. In the company's Consolidated Financial Statements, goodwill totaling EUR 38,106 thousand (24.1% of the balance sheet total) is reported under the balance sheet item "Goodwill". Goodwill is tested for impairment by the company once a year or whenever there is an indication that goodwill may be impaired. The impairment test is performed at the level of the cash-generating units or groups to which the respective goodwill is allocated. In the impairment test, the carrying amount of the respective cash-generating units including goodwill is compared with the corresponding recoverable amount. The recoverable amount is generally determined on the basis of the value in use. The basis for the measurement is generally the present value of future cash flows of the respective cash-generating unit or group. The present values are determined using discounted cash flow models. The starting point is the Group's approved medium-term plan, which is updated with assumptions about long-term growth rates. Expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is based on the weighted average cost of capital of the respective cash-generating unit or group of cash-generating units. As a result of the impairment test, an impairment need of EUR 133 thousand was identified.

The result of this assessment is highly dependent on the estimation of the legal representatives with regard to the future cash flows of the respective group of cash-generating units, the discount rate used, the growth rate and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complexity of the valuation, this matter was of particular importance in the context of our audit.

2. As part of our audit, we verified, among other things, the methodological approach used to perform the impairment test. After comparing the future cash flows used in the calculation with the Group's approved medium-term planning, we assessed the appropriateness of the calculation, in particular by reconciling it with general and industry-specific market expectations. We also assessed the appropriate consideration of the costs of corporate functions. Knowing that even relatively small changes in the discount rate used can have a significant impact on the amount of the recoverable amount determined in this way, we dealt intensively with the parameters used in determining the discount rate and understood the calculation scheme. In order to take account of the existing forecast uncertainties, we have reproduced the sensitivity analyses prepared by the company. For cash-generating units or groups for which a possible change in an assumption would lead to a recoverable amount below the carrying amount of the cash-generating units including the allocated goodwill, we verified that the required disclosures were made in the notes.

Overall, the valuation parameters and assumptions applied by the legal representatives are in line with our expectations and are also within what we consider to be reasonable ranges.

3. The company's disclosures on goodwill impairment testing are included in the summary of significant accounting policies in the section "Intangible assets" of chapter 2.4.4, in Significant Estimates and Assumptions in the section "Goodwill Impairment Testing" of chapter 3.1 and in section 7.1.1 "Goodwill" of the Notes to the Consolidated Financial Statements.

## 2. ACCOUNTING FOR SALES REVENUE IN ACCORDANCE WITH IFRS 15

1. In the Consolidated Financial Statements of Vita 34 AG, sales revenues in the amount of EUR 77,062 thousand are reported, of which EUR 51.489 thousand are attributable to the collection and processing of umbilical cord blood, EUR 21.534 thousand to its storage, and EUR 4,039 thousand to other sales revenues. This item, which is significant in terms of amount, is subject to a particular risk in view of the complexity of the processes required for accurate recognition and accrual and the existence of multi-component contracts.

In addition, the revenues and the corresponding contract liabilities and contract assets are based to a large extent on estimates and assumptions made by the legal representatives, particularly with regard to the costs to be included in the course of the "expected cost plus a margin" approach when allocating the transaction price to the performance obligations and with regard to the determination of the contractual terms to be taken into account for the various types of contracts. Furthermore, the determination of the contract term of some contract constellations with annual termination options is subject to discretionary decisions of the legal representatives with regard to the assessment of the the existence of significant contractual penalties within the meaning of IFRS 15.11. Due to the large number of different contract constellations and manual adjustment entries, the correct recognition and deferral of revenue in the application of the IFRS 15 accounting standard is to be regarded as complex.

Against this background, the recognition of revenue was of particular importance in the context of our audit.

2. Taking into account the knowledge that there is an increased risk of misstatements in the financial statements due to the complexity of data collection and processing as well as the estimates and assumptions to be made with regard to certain individual contractual arrangements, we initially assessed the processes and controls established by the Group for the recognition of revenue as part of our audit. In doing so, we also assessed the IT systems used for invoicing and correct recording of transactions up to the point of recording in the general ledger.

As part of our case-by-case audit procedures, we traced the different characteristics of the various contractual models and assessed whether the performance obligations and their contractual terms were correctly identified and whether these services were provided over a specific period or at a specific point in time. In this context, we also assessed the appropriateness of the procedures applied, including the cost calculation performed within the Group as the basis for revenue allocation using the expected-cost-plus-a-margin approach, and assessed the estimates made or judgements made by the legal representatives for revenue recognition and deferral.

In addition, we assessed on a test basis the evidence supporting the revenue and the cash receipts. Through consistent audit procedures in the audit of the operating subsidiaries, we ensured that we adequately addressed the inherent audit risk of revenue.

We were able to satisfy ourselves that the systems and processes in place, as well as the controls in place, are adequate and that the estimates made and assumptions made by the legal representatives are sufficiently documented for the accounting treatment of revenue.

3. The company's disclosures on revenues in the Consolidated Financial Statements of Vita 34 AG are included in sections 2.4 "Summary of Significant Accounting and Valuation Policies" and 3.1 "Significant Estimates and Assumptions" as well as 6.1 "Sales revenues" of the Notes to the Consolidated Financial Statements.

## OTHER INFORMATION

The executive directors are responsible for the other information.

The other information comprises

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB,
- the separate non-financial Group report to comply with §§ 315b to 315c HGB
- the annual report, which is expected to be made available to us after the date of the auditor's report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

## **RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 ABS. 3A HGB

#### ASSURANCE OPINION

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file "Vita34\_AG\_KAuZLB\_ESEF\_2023-12-31.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format.

Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

#### BASIS FOR ASSURANCE OPINION

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our auditing practice has applied the quality management system requirements of the IDW Quality Management Standard: Requirements for quality management in the auditing practice (IDW QMS 1 (09.2022)).

#### RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.



**GROUP AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

**FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION**

We were elected as group auditor by the annual general meeting on September 26, 2023. We were engaged by the supervisory board on February 19, 2024. We have been the group auditor of the Vita 34 AG, Leipzig, without interruption since the fiscal year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

**NOTE ON OTHER MATTERS – USE OF THE AUDITOR'S REPORT**

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

**NOTE ON SUPPLEMENTARY AUDIT**

We issue this auditor's report on the consolidated financial statements and the group management report as well as on the reproduction of the consolidated financial statements and the group management report submitted for audit for the first time, contained in the file "Vita34\_AG\_KAuZLB\_ESEF\_2023-12-31.zip" and prepared for publication purposes on the basis of our audit, duly completed on April 29, 2024 and our supplementary audit completed as at May 8, 2024, which related to the initial submission of the ESEF documents.

**GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT**

The German Public Auditor responsible for the engagement is Susanne Riedel.

Berlin, April 29, 2024/limited to the initial submission of the ESEF documents mentioned in the note on supplementary audit:

Berlin, May 8, 2024

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Susanne Riedel  
Wirtschaftsprüferin

ppa. Dr. Kay Lubitzsch  
Wirtschaftsprüfer

# FINANCIAL CALENDAR 2024

04/30/2024	Annual Report 2023
05/31/2024	Quarterly Statement (Q1)
06/28/2024	Annual General Meeting
08/30/2024	Half-year financial report (H1)
11/22/2024	Quarterly Statement (Q3)
To be determined	Analysts' Meeting in accordance with BörsO FWB

# IMPRINT

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## NOTE

In the interests of readability, the annual report does not use the masculine, feminine and diverse (m/f/d) forms of language simultaneously. All references to persons apply equally to all genders.

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



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