

# Interim Report January to March 2014

# Overview of Key Financial Figures

		01/01- 03/31/2014	01/01- 03/31/2013
<b>Stem Cell Preparations</b>			
Storages of Umbilical cord blood and cord tissue	Number	1,659	1,614
<b>Profit / Loss</b>			
Total operating income	EUR k	3,488	3,338
Revenues	EUR k	3,213	3,170
Gross profit	EUR k	1,864	1,882
EBITDA	EUR k	588	342
EBIT	EUR k	310	56
Period result	EUR k	204	-20
<b>Balance Sheet / Cash flows</b>			
Total assets	EUR k	35,585	35,429
Equity	EUR k	21,496	20,474
Equity ratio	%	60.4	57.8
Liquid funds	EUR k	3,383	2,658
Capital expenditures *	EUR k	122	170
Depreciation *	EUR k	278	286
Cash flow from operating activities	EUR k	596	167
<b>Employees</b>			
Employees (as of 31 March)	Number	105	100
Personnel expenditures	EUR k	1,116	1,163

\* Information for tangible and intangible assets

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*Dear Shareholders,*

Within the first three months of 2014 we have consistently advanced the successful corporate development of Vita 34, and have confirmed the positive trend of the prior quarters. The sum of operating income in the reporting period rose, in particular due to the successful expansion of the Biotechnology business segment to EUR 3.5 million (prior year's quarter: EUR 3.3 million). The number of new storages of umbilical cord blood and tissue of 1,659 storages was at the prior year's level (Q1 2013: 1,614 new storages). Here, we earned stable revenues of some EUR 3.2 million (Q1 2013: EUR 3.2 million).

Apart from activities in the Biotechnology business segment, the optimisation measures consistently implemented in 2013, as well, contributed to increasing profitability. The earnings before interest, taxes, depreciation and amortization (EBITDA) trended positively in the reporting period, and could be increased to EUR 0.6 million following EUR 0.3 million in the prior year's period. In addition, the operating profit (EBIT) improved and was EUR 0.3 million after the first three months of 2014, following EUR 0.1 million at the end of Q1 2013. The period result increased to EUR 204k, after having been negative at EUR -20k in the prior year's reporting period.

In Q1 2014 we broke the 100,000 mark for stem cell deposits, of them 1,500 with a donation option. We celebrated this milestone in the 17-year history of the company with a gala event in Leipzig. Thus, we are the undisputed leading stem cell bank in the German-speaking countries, and are among the largest stem cell banks in Europe. With space for up to 350,000 units, we also already have the foundation for future growth. Since the observance of the highest quality and safety standards in the cryo-preservation of stem cells is our top priority, we are the only private stem cell bank in Germany that can demonstrate tangible medical applications of the umbilical cord blood stored for the patient's own use. In the reporting period we were able to dispense two additional stem cell preparations to clinics in Austria for therapeutic use.

Moreover, in Q1 2014 we have advanced our international activities, particularly with regard to the storage of umbilical cord tissue storage. We have expanded our marketing and sales activities in the reporting period, in order to provide expecting parents with all relevant information surrounding our services, and to better reach them. Overall, we consider ourselves to be in a good position for crafting the development of Vita 34 in positive manner on an ongoing basis.

The expansion in the circle of our shareholders since January 2014 underscores the increased interest in our stock. At this juncture, we would like to thank our shareholders for the trust extended and hope that you will accompany us in the further corporate development of Vita 34.

Leipzig, April 2014



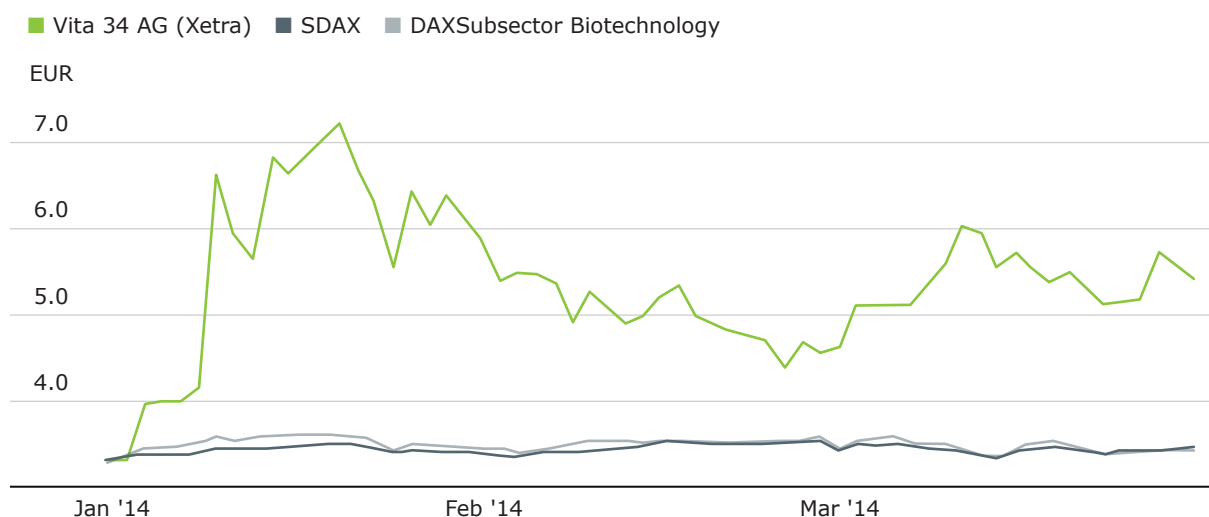
Dr. André Gerth  
CEO



Jörg Ulbrich  
CFO

# Vita 34 AG Stock

## Stock Price Development (1 January 2014 – 31 March 2014)



## Stock Price Development

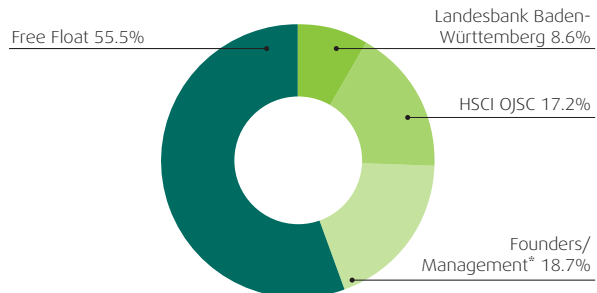
The Vita 34 AG stock demonstrated a positive trend in the reporting period relative to the SDAX and DAX subsector Biotechnology reference indices. The Vita 34 AG stock had a closing price of EUR 3.31 on 2 January 2014. The further development of the stock in January was characterized by a significant upward trend. For example, the price of EUR 7.30 on 22 January 2014 was the high during Q1 2014. In the remaining time the share price dropped to EUR 4.41 on 26 February 2014 but swung back up above the EUR 5.00 mark in March again. At the end of the first quarter on 31 March 2014 the stock was quoted at EUR 5.45, which is equivalent to a market capitalization of EUR 16.5 million.

## Information and Key Figures on the Shares

Ticker symbol/ Reuters symbol	V3V/V3VGn.DE
Securities number/ISIN	A0BL84/DE000A0BL849
Initial quotation	March 27, 2007
Market segment	Prime Standard
Indices	CDAX, Prime All Share, Technology All Share, DAX subsector Biotechnology, DAX sector Pharma & Healthcare
Opening/Closing Price	EUR 3.31/EUR 5.45
High/Low	EUR 7.30/EUR 3.31
Number of shares	3,026,500
Free-float as of 31 March 2014	55.5%
Market capitalization as of 31 March 2014	EUR 16.5 million
Designated Sponsor	Close Brothers Seydler AG

## Shareholder Structure

as of 31 March 2014



\* Founders/Management with a share of 5% or more

## Financial Calendar 2014

24 July 2014	Publishing of the 6-month report 2014
28 August 2014	Annual General Meeting 2014
23 October 2014	Publishing of the 9-month report 2014
24-26 November 2014	German Equity Forum 2014

# Group Interim Report



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# Group Interim Report

## Group Fundamentals

### Business Model

Vita 34 was founded in 1997 and, as a pioneer in the field of umbilical cord blood banking, has since then developed itself into the largest stem cell bank in the German speaking countries and a specialist for cryo-preservation. The company is active in two business segments, Stem Cell Storage and Biotechnology, and is represented outside of Germany in the European and global markets in a total of 16 countries via subsidiaries and cooperation partners.

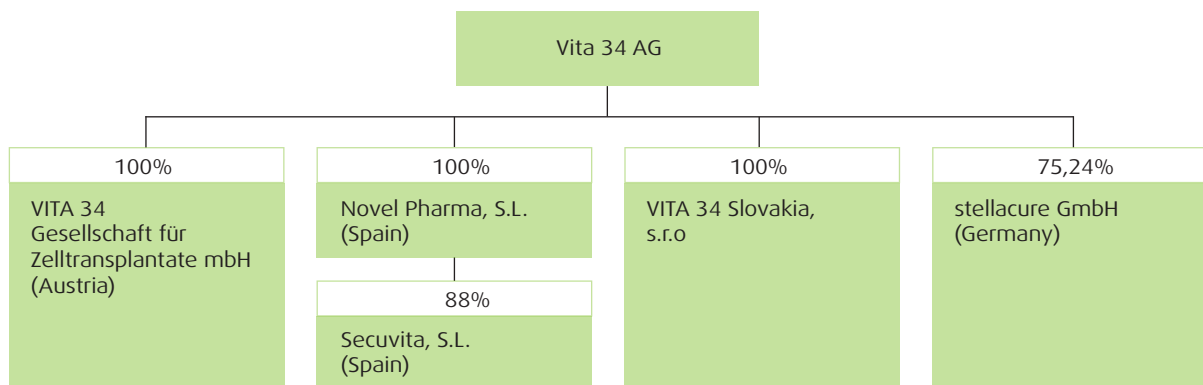
The core business of Vita 34 is stem cell storage, especially the cryo-preservation of umbilical cord blood, and since October 2013, also the cryo-preservation of umbilical cord tissue for private customers. As a complete provider in the field of stem cell banking, Vita 34 covers the entire value chain: From collection logistics, to preparation and the long-term storage of umbilical cord blood and tissue, to the proper dispensing of stem cell transplants for treating various diseases.

With currently more than 100,000 umbilical cord blood storages, and existing space for up to 350,000 stem cell preparations, Vita 34 is the market leader in the German-speaking countries. Of the 61 therapeutic stem cell applications reported to Cord Blood Europe, a European association of private umbilical cord blood banks, 26 have been performed with preparations stored at Vita 34. This outstanding application rate reflects the high level of quality of our storages. Thus, the observance of the highest quality and safety standards is the utmost priority for Vita 34. Only in this way can it be assured that preparations are actually ready for use, and can be transplanted, in the case of illness.

Vita 34 is the only private stem cell bank with the following:

- Permits from the German Federal Institute for Vaccines and Biomedical Pharmaceuticals (Paul-Ehrlich Institute) for dispensing umbilical cord blood preparations for the therapeutic use in hematological/oncological diseases for siblings, and to help other people in the case of disease in the form of a donation
- A permit for the collection, processing, cryo-preservation and storage of umbilical cord tissue

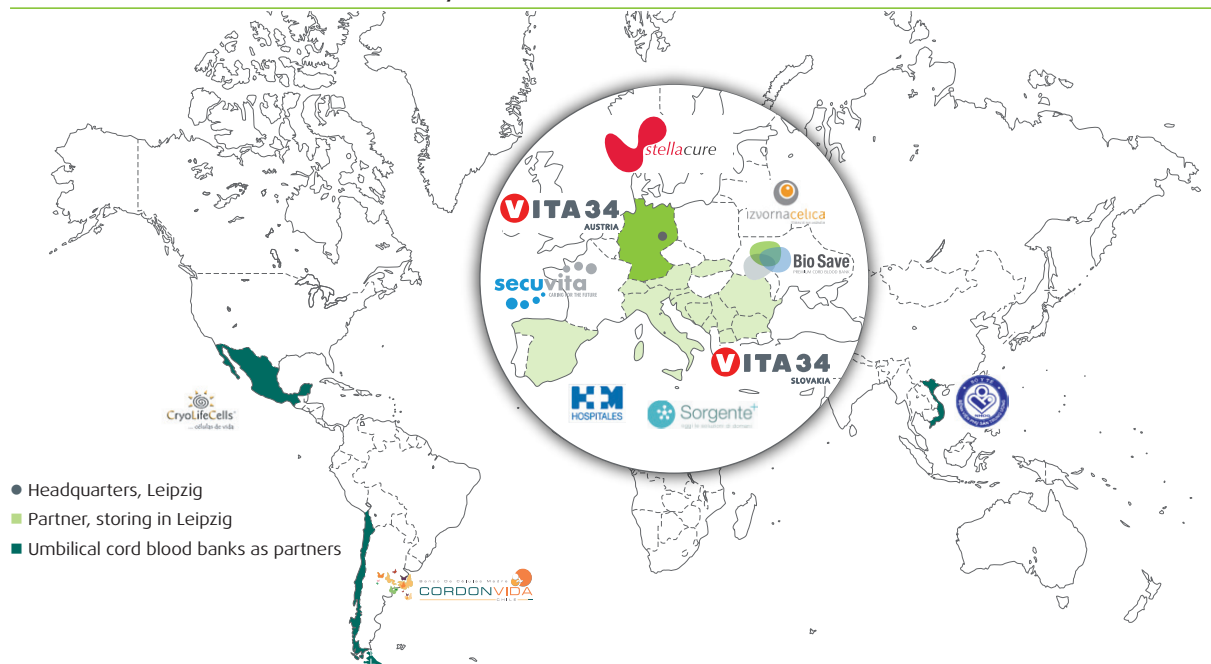
## Corporate Structure



The offering of Vita 34 is targeted towards expecting parents, who wish to have the extremely vital stem cells from umbilical cord blood and umbilical cord tissue preserved for their children immediately after birth as a provision. In order to allow the greatest number of parents to provide stem cells prophylactically for their children, Vita 34 serves a network of some 10,000 OB/GYNs, and has entered into agreements for the collection of umbilical cord blood with some 95 percent of the roughly 800 birthing clinics in Germany. Thus, they give their children the opportunity to benefit from discoveries in stem cell research in the case of illness. After all, the stored stem cell preparations are a biological self-provision and are available to the child over the course of many decades for use in medical therapy and in regenerative medicine.

Vita 34 has continuously expanded its activities in the international market in the past years. With subsidiaries in Spain, Austria and Slovakia, Vita 34 is also increasingly active in the European and global markets via cooperative venture partners.

**International Presence – The Vita 34 Family**



## Economic Report

### Overall Economic Environment and Industry-Related Peripheral Conditions

Vita 34 has continually expanded its activities in international markets over the last few years via subsidiaries, as well as sales and cooperative venture partners. Apart from Germany, Vita 34 has defined Spain and Italy as core markets. The economic environment in Europe and especially these countries, therefore, has an influence on Vita 34's activities.

According to the Kiel Institute for the World Economy (IfW), the recovery in the Euro region continued to solidify in the final quarter of 2013. The experts at IfW expect this recovery to continue in the first half of 2014, as well. In all, GDP growth of some 1.2 percent is expected in the current year 2014 (GDP growth 2013: -0.4 percent). The gross domestic product in Germany grew slightly in 2013 at 0.4 percent (source: German Federal Office of Statistics). The experts from the German Institute for Economic Research (DIW) expect for 2014 that GDP will expand by 1.8 percent as compared with 2013. Economic output initially continued to decline in Spain and Italy in 2013 despite the gradual European recovery from a weak economy. The European Central Bank considers this trend to be over in 2014 and is forecasting growth rates of 1.1 percent for Italy and 0.5 percent for Spain.

Vita 34 offers a private healthcare provision with the storage of umbilical cord blood and tissue. The decision to store umbilical cord blood is, among other things, dependent on the unemployment rate, purchasing power, as well as the income of the populace. The unemployment rate in 2014 according to prognoses from IfW will be at the level of the prior year with an average of 6.9 percent (2013: 6.9 percent). For the year 2014 GfK (Gesellschaft für Konsumforschung) a consumer research company has forecast an increase in purchasing power of some 2.85 percent as compared with the prior year 2013. The German Federal Office for Statistics expects an increase in gross annual wages of some 4.4 percent between the years 2014 and 2016.

There is an additional indicator that is significant for the "Stem Cell Storage" business segment that is trending positively: Current studies on birth behavior, especially cohort fertility, show that the decline in births has stopped. For women, who have reached their 34th year of life, the cohort fertility is nearly 1.6 children per woman according to the predictive calculations of the Max Planck Institute for Demographic Research Rostock. The average of all 37 countries studied for women born in 1975 is as high as 1.77 children. In the coming years, therefore, Vita 34 sees positive market opportunities with regard to the ultimate birth rate.

### Development of Business

The total number of new storages of umbilical cord blood and umbilical cord tissue in the reporting period was 1,659 (Q1 2013: 1,614 new storages), thus at the prior year's level. At the same time the financial position of the group improved in the first quarter of 2014 as compared with the prior year's period: The sum of operating profits in Q1 2014 was EUR 3.5 million (Q1 2013: EUR 3.3 million). Among other things, the Biotechnology business segment expanded in 2013 contributed to an increase in operating profit and, therefore, to increase profitability. The cost optimization measures consistently implemented in fiscal year 2013 also came to bear in the reporting period, and also had a positive effect on the profitability of Vita 34.

During the first quarter of 2014 Vita 34 worked continuously on strengthening and expanding its leading market position in the German-speaking countries and internationally. In concrete terms, the following measures were focused on:

#### **Expanding the Product Range**

Since fiscal year 2013 Vita 34 has possessed the required permits for collecting, processing, cryo-preserving and storing umbilical cord tissue and, therefore, is the only private stem cell bank in Germany that can store umbilical cord tissue along with umbilical cord blood according to Good Manufacturing Practice (GMP) guidelines. In order to enter into contracts for collecting umbilical cord tissue with all partner clinics in Germany, Vita 34 has applied for permit for collecting tissue with all of the 27 responsible agencies

within Germany. By the end of the reporting period Vita 34 had already received permits for collecting umbilical cord tissue from 12 of the 27 agencies. The review process of the remaining 15 agencies was ongoing in Q1 2014. Vita 34 applied for an import license for umbilical cord tissue from Switzerland in accordance with Sec. 72b German Pharmaceuticals Act (AMG) and a collection permit for umbilical cord blood in accordance with Sec. 19 (2) of the Austrian Tissue Safety Act (GSG) in Austria during the reporting period. Vita 34 has advanced the introduction umbilical cord tissue storage with our respective partners in Slovenia, Romania, Bulgaria, Macedonia and Croatia. The first tissue storages from Switzerland, Macedonia and Bulgaria have already taken place.

#### Expansion of Quality Leadership

In Q1 2014 two of the stem cell preparations stored at Vita 34 were dispensed to clinics in Austria for therapeutic use. One of the preparations was used in February. Of the 61 therapeutic stem cell applications reported to Cord Blood Europe, a European association of private umbilical cord blood banks, therefore, 26 have been performed with preparations stored at Vita 34. This outstanding application rate reflects the high quality of the preparations stored at Vita 34.

#### Asserting a Dominant Market Position

With the 100,000th storage of a stem cell preparation, as well as the 1500th storage of a stem cell donation, Vita 34 has confirmed and expanded its dominant market position in the German-speaking countries. Vita 34 celebrated this important milestone in the company's history at BIO CITY, Leipzig, together with domestic and foreign partners, guests and representatives of the press. Within the context of this gala event on 27 March 2014, Christine Clauss, State Minister for Health and Social Affairs in Saxony, acknowledged the milestone.

#### Closer to Our Customers

Vita 34 has continuously expanded its Customer Service, in order to better reach expecting parents. Thus, the www.vita34.com website has had a new, appealing design since March 2014. All of the content is clearly structured

and easy to find. Among the highlights of the site are not only the user-friendly navigation and animations, but also the clinic finder with radius search. In addition, since the end of the reporting period Vita 34 has been making noteworthy background information and interesting tips on the topic of pregnancy available to expecting parents via the Vita 34 app. This app also provides information on the complete range of Vita 34 services.

Moreover, the 91-time national team player and handball player of the year 2012 from Handballclub HC Leipzig Katja Schülke had stored the stem cells of her son Lasse at Vita 34. Since then she has been supporting the PR and marketing activities of Vita 34.

#### Revenue and Profit Situation

**Revenues** in the reporting period of some EUR 3.2 million attained the level of the prior year's revenues (Q1 2013: EUR 3.2 million). According to business segment in the first three months of 2014 some EUR 3.1 million was attributable to the Storage of Stem Cells segment and some EUR 0.1 million to the Biotechnology business segment. In Q1 2014 the **Cost of Sales** hardly changed and was some EUR 1.3 million (Q1 2013: EUR 1.3 million).

The **Gross Profit on Sales** in the first quarter of 2014 amounted to EUR 1.9 million (Q1 2013: EUR 1.9 million). In an annual comparison this corresponds with a nearly constant gross margin of nearly 58 percent (Q1 2013: 59 percent).

The **Other Operating Expenses and Income** improved to EUR 266k following EUR -45k in the prior year's period, in particular thanks to increased income from research and development activities. The **Sum of Operating Income** was a total of EUR 3.5 million (Q1 2013: EUR 3.3 million).

To increase profitability, optimization measures were implemented consistently in Marketing in fiscal year 2013, which continued to have an effect in the reporting period: The **Marketing and Selling Expenses** decreased in the first quarter of 2014 to EUR 1.1 million (Q1 2013: EUR 1.2 million). The **Administrative Costs** in the reporting

period were EUR 0.7 million following EUR 0.6 million in the comparative period of the prior year.

**Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)** increased to EUR 0.6 million in Q1 2014, following EUR 0.3 million in the first quarter of 2013. Moreover, the **Earnings before Interest and Taxes (EBIT)** of EUR 0.3 million were higher in the reporting period than the prior year's figure of EUR 0.1 million. The **Income Tax Expense** in Q1 2014 remained nearly unchanged at EUR 0.1 million (Q1 2013: EUR 0.1 million).

The **Period Result** improved as compared with the prior year and was EUR 204k in Q1 2014 (Q1 2013: EUR -20k). This results in **Earnings per Share** of EUR 0.07 in the reporting period based on an average number of issued shares of 3,026,500, following EUR 0.00 in the 2013 reference period.

### Financial Situation

Based on a **Period Result before Income Tax** in the amount of some EUR 0.3 million in Q1 2014 (Q1 2013: EUR 0.1 million), with some EUR 0.3 million (Q1 2013: EUR 0.3 million) the lion's share of cash adjustments were attributable to scheduled depreciation. Following an outflow in Q1 2013 of EUR -0.2 million in net current assets, in the reporting period there was nearly no change in net current assets. Correspondingly, the **Cash flow from Operating Activities** after interest and taxes in Q1 2014 was EUR 0.6 million over the prior year's value of EUR 0.2 million.

In the reporting period Vita 34 invested a total of EUR 0.1 million in intangible assets and plant and equipment, thus less than the EUR 0.2 million in Q1 2013. Correspondingly, the **Cash flow from Investment Activity**

of EUR -0.1 million was higher than the prior year's value of EUR -0.2 million. The **Cash flow from Financing Activities** as of 31 March 2014 was EUR -20k, following EUR -843k in the prior year's period. In the prior year loan redemptions were incurred, which were ended as planned on 31 December 2013.

Thus, as of 31 March 2014, Vita 34 had **Cash** in the amount of some EUR 3.4 million (March 31, 2013: EUR 2.7 million).

### Assets

On the asset side of the balance sheet the **Non-Current Assets** were EUR 27.2 million as of 31 March 2014 (31 December 2013: EUR 27.3 million). In particular, this contains the **Goodwill** of EUR 13.9 million, which remained unchanged as compared with 31 December 2013. This is comprised of the goodwill of Vita 34 AG, the Spanish subsidiary Secuvita, S.L., and the Biotechnology business segment together.

The **Current Assets** in the reporting period were EUR 8.4 million (31 December 2013: EUR 8.3 million). **Cash and Cash Equivalents** increased to EUR 3.4 million as of 31 March 2014 (31 December 2013: EUR 2.9 million).

On the liabilities side of the balance sheet, **Equity** as of the closing date 31 March 2014 was EUR 21.5 million due to a positive period result and, thus, it was higher than the 2013 year end level of EUR 21.3 million.

The **Non-Current Liabilities and Deferred Income** were EUR 10.5 million as of 31 March 2014, following EUR 10.4 million at the end of 2013. **Current Liabilities and Deferred Income** decreased from EUR 4.0 million at the end of as of 31 December 2013 to EUR 3.6 million as of

the end of the reporting period. This decline resulted, in particular, from lower trade liabilities of EUR 0.9 million as of the effective date 31 March 2014 following EUR 1.1 million at the end of 2013.

**Deferred Income** was unchanged at EUR 9.6 million in the reporting period (31 December 2013: EUR 9.6 million). This contains the storage fees that are collected from customers one time in advance, and are dissolved in linear fashion over the agreed storage period.

Vita 34 continued to have a solid balance sheet structure at the end of the reporting period. With a balance sheet total of EUR 35.6 million (31 December 2013: EUR 35.6 million) the equity ratio was 60.4 percent, following 59.8 percent as of 31 December 2013.

### Balance Sheet

	Assets		Equity & Liabilities		
	03/31/2014	12/31/2013	03/31/2014	12/31/2013	
Goodwill	13,942	13,942	21,496	21,292	Equity
Non-current assets	13,227	13,354	2,308	2,209	Non-current liabilities*
Liquid funds	3,383	2,927	9,618	9,588	Deferred income
Current assets	5,033	5,405	2,163	2,539	Current liabilities*
	<b>35,585</b>	<b>35,628</b>	<b>35,585</b>	<b>35,628</b>	*Excluding deferred income

## Subsequent Report

Following the closing of the reporting period, no significant events have occurred that would have had a special significance for or a substantial effect on the picture of the asset, financial and profit situation of the group portrayed by this interim report.

## Opportunity and Risk Report

As compared with the opportunities and risks presented in the 2013 annual report, there have been no significant changes in the reporting period. More information on the special risks and opportunities of Vita 34 AG can be found in the "Internal Controlling and Risk Management System", "Company Risks" and "Opportunities for Future Development" chapters of the Vita 34 AG annual report of March 27, 2014. This can be downloaded from the Vita 34 website ([www.vita34group.com](http://www.vita34group.com)).

## Prognosis Report

### Outlook

The expected, future development of Vita 34 AG in fiscal year 2014 is explained within the scope of the prognosis report, to the extent that current knowledge allows. With an overall stable number of new storages as well as revenues at the prior year's level, Vita 34 was successful in increasing the profitability of the company in the first quarter of 2014 as compared with the prior year's period. Apart from the increase in the sum of operating profits, in particular caused by the expansion of the Biotechnology business segment, the cost optimization measures consistently implemented in fiscal year 2013 continued to have a positive effect on the profitability of Vita 34. After the first quarter of 2014 the most important key financial figure (EBITDA) of EUR 0.6 million was higher than the value of the prior year's period of EUR 0.3 million.

Thus, Vita 34 trusts that it can achieve the prognosis for fiscal year 2014 contained in the 2013 Annual Report. This prognosis foresees a moderate increase in revenues and an increase in EBITDA to approx. EUR 3.3 million, in particular thanks to the leading market position of Vita 34 and our strategic orientation, despite the persistent reticence with regard to the storage of stem cell preparations. The cost reduction measures successfully implemented in 2013 will continue to make a contribution towards increasing the profitability growth of Vita 34 throughout the course of the year. At the same time Vita 34 is planning to increase the reach of marketing and sales activities, in order to approach the target group in the best way possible, develop the core markets of Germany and Spain successfully by increasing storages and, thereby, generate positive effects on additional company growth. Vita 34 has already initiated corresponding measures with its new Internet presence, the introduction of the Vita 34 app, as well as its "Thanks Mama" advertising campaign.

With "VitaPlusNabelschnur" [VitaPlusCord] Vita 34 is the only private umbilical cord blood bank in Germany to offer a product in addition to the storage of umbilical cord blood. Vita 34 is entering into contracts with all partner clinics in Germany, Austria and Switzerland for collecting umbilical cord tissue. Our partners in Slovenia, Romania and Croatia are also preparing the introduction of umbilical cord tissue storage. As compared with the competition Vita 34 offers potential customers a clear added value with the "VitaPlusNabelschnur" [VitaPlusCord] product; correspondingly we see here opportunities for our company for improved market position, as well as additional revenue and income potential in fiscal year 2014.

In addition, in fiscal year 2014 Vita 34 will be concentrating on the growth of international activities and the expansion of existing cooperative ventures, for example in Mexico, Chile and Vietnam. Moreover, we expect positive impetus with regard to the number of storages in fiscal year 2014 thanks to the expansion of our Serbian partner Bio Save d.o.o. into Romania and Croatia in 2013.



In all, Vita 34 considers the basis for sustainable corporate growth to be the continuation of its expansion strategy, the development of the Biotechnology business segment, as well as activities geared toward extending the product range. Vita 34 sees significant opportunities to expand our market position as a specialist for the cryo-preservation of biological material via the resulting potential sales, profit and revenues.

### Forward-Looking Statements

This interim report contains forward-looking prognoses. These statements are based on the current level of information available to Vita 34 at the point the report was drafted. Such forward-looking statements are subject, however, to risks and uncertainties. If the assumptions taken as a basis should not transpire or additional opportunities/risks arise, the actual events could deviate strongly from the estimates rendered. Vita 34 can assume no responsibility for this information.

Leipzig, April 2014

The Vita 34 AG Management Board



Dr. André Gerth  
CEO



Jörg Ulbrich  
CFO

# Condensed Consolidated Interim Financial Statement

# and Notes

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## Condensed Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

EUR k	Note	01/01- 03/31/2014	01/01- 03/31/2013
<b>Continuing operations</b>			
Revenue		3,213	3,170
Cost of sales		-1,349	-1,288
<b>Gross profit on sales</b>		<b>1,864</b>	<b>1,882</b>
Other operating income		275	168
Marketing and selling expenses		-1,133	-1,157
Administrative expenses		-687	-624
Other operating expenses		-9	-213
<b>Net operating profit/loss</b>		<b>310</b>	<b>56</b>
Finance revenue		50	56
Finance costs		-15	-32
<b>Earnings before taxes</b>		<b>345</b>	<b>80</b>
Income tax expense	5	-141	-100
<b>Period result/Total comprehensive income for the year after tax</b>		<b>204</b>	<b>-20</b>
<b>Period result attributable/Total comprehensive income for the year after tax to</b>			
Owners of the parent		226	8
Non-controlling interests		-22	-28
<b>Earnings per share (EUR)</b>			
Basic and diluted, for profit or loss for the year attributable to ordinary equity holders of the parent (EUR)		0.07	0.00

## Condensed Consolidated Statement of Financial Position (Assets)

EUR k	Note	03/31/2014	12/31/2013
<b>Non-current assets</b>			
Goodwill		13,942	13,942
Intangible assets		7,045	7,175
Property, plant and equipment		4,729	4,756
Other financial assets		76	76
Non-current trade receivables		1,207	1,177
Restricted cash		170	170
		<b>27,169</b>	<b>27,296</b>
<b>Current assets</b>			
Inventories		464	550
Trade receivables		2,614	2,762
Other receivables and assets		1,955	2,093
Cash and cash equivalents	4	3,383	2,927
		<b>8,416</b>	<b>8,332</b>
		<b>35,585</b>	<b>35,628</b>

## Condensed Consolidated Statement of Financial Position (Equity &amp; Liabilities)

EUR k	Note	03/31/2014	12/31/2013
<b>Equity</b>			
Issued capital		3,027	3,027
Capital reserves		23,950	23,950
Revenue reserves		-5,221	-5,447
Treasury shares		-436	-436
Non-controlling interests		176	198
		<b>21,496</b>	<b>21,292</b>
<b>Non-current liabilities and deferred income</b>			
Interest-bearing loans		193	210
Silent partners' interests		940	940
Deferred income taxes		174	31
Deferred grants		947	974
Pension provisions		54	54
Deferred income		8,206	8,169
		<b>10,514</b>	<b>10,378</b>
<b>Current liabilities and deferred income</b>			
Trade payables		908	1,127
Provisions		130	148
Income tax payable		58	58
Interest-bearing loans		137	140
Deferred grants		88	88
Other liabilities		842	978
Deferred income		1,412	1,419
		<b>3,575</b>	<b>3,958</b>
		<b>35,585</b>	<b>35,628</b>

## Condensed Consolidated Statement of Changes in Group Equity

EUR k	Equity attributable to the		
	Issued capital	Capital reserves	Revenue reserve
Note			
<b>Balance as of 1 January 2013</b>	<b>3,027</b>	<b>23,950</b>	<b>-6,285</b>
Period result			8
<b>Balance as of 31 March 2013</b>	<b>3,027</b>	<b>23,950</b>	<b>-6,277</b>
<b>Balance as of 1 January 2014</b>	<b>3,027</b>	<b>23,950</b>	<b>-5,447</b>
Period result			226
<b>Balance as of 31 March 2014</b>	<b>3,027</b>	<b>23,950</b>	<b>-5,221</b>



owners of the parent						
Currency translation reserve	Available-for-sale assets	Total shareholders' equity	Treasury shares at acquisition costs	Non-controlling interests	Total equity	
0	0	20,692	-436	238	20,494	
		8		-28	-20	
0	0	20,700	-436	210	20,474	
0	0	21,530	-436	198	21,292	
		226		-22	204	
0	0	21,756	-436	176	21,496	

## Condensed Consolidated Statement of Cash flows

EUR k	Note	01/01- 03/31/2014	01/01- 03/31/2013
<b>Cash flow from operating activities</b>			
Earnings before taxes		345	80
Adjusted for:			
Amortization and depreciation		278	286
Other non-cash expenses/income		22	32
Finance revenue		-50	-56
Finance costs		15	32
Working capital adjustments:			
+/- Receivables and other assets		256	45
+/- Inventories		86	105
+/- Liabilities		-355	-257
+/- Provisions		-18	-126
+/- Deferred income		30	58
Interest paid		-15	-32
Income taxes paid		2	0
<b>Cash flow from operating activities</b>		<b>596</b>	<b>167</b>
<b>Cash flow from investing activities</b>			
Purchase of intangible assets		-72	-103
Purchase of property, plant and equipment		-50	-67
Interest received		2	7
<b>Cash flow from investing activities</b>		<b>-120</b>	<b>-163</b>
<b>Cashflow from financing activities</b>			
Changes in restricted cash		0	-7
Changes in loans		-20	-836
<b>Cash flow from financing activities</b>		<b>-20</b>	<b>-843</b>
Net change in cash and cash equivalents		456	-839
Cash and cash equivalents at the beginning of the reporting period		2,927	3,497
<b>Cash and cash equivalents at the end of the reporting period (Liquid funds)</b>	<b>4</b>	<b>3,383</b>	<b>2,658</b>

# Notes on the Condensed Consolidated Interim Financial Statement

## 1. Company Information

The parent company, Vita 34 AG (the "Company"), with headquarters in Leipzig (Germany) Deutscher Platz 5a, listed in the commercial register of the District Court of Leipzig under HRB 20339, is a company whose corporate purpose is the storage, the production and the sale of stem cell and blood products for therapy and transplantation, the development, production and sale of medicinal products, as well as conducting projects in the field of biotechnology. Its subsidiaries (together with the Company referred to as the "Group") also operate in the field of cord blood storage.

The group interim financial statements for the period from 1 January until 31 March 2014 were approved for publication by the Management Board on 24 April 2014.

## 2. Accounting and Valuation Principles

### 2.1 Basis for the Preparation of the Financial Statements

The preparation of the group interim financial statements for the period from 1 January until 31 March 2014 has been conducted in accordance with IAS 34 "Interim Financial Reporting".

The condensed group interim financial statements do not contain all of the explanations and information prescribed for the annual financial statements and should be read in conjunction with the group financial statements as of 31 December 2013.

### 2.2 Changes in Accounting Policies

The accounting and valuation methods used to prepare the group interim financial statements correspond with the methods used in the preparation of the group financial statements for the fiscal year as of 31 December 2013.

The group used the following new and revised IFRS standards and interpretations for the first time as of 1 January 2014:

- Modifications to IAS 36: Impairment of Assets
- Modifications to IAS 39: Novation of Derivatives and Continuation of Accounting for Financial Instruments
- Modifications to IFRS 10, IFRS 12 and IAS 27: Investment Companies
- Modifications to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Reports, Joint Arrangements, Disclosure of Interests in Other Entities
- Amendments to IAS 32: Financial Instruments Presentation – Offsetting Financial Assets and Financial Liabilities
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- IAS 27: Separate Financial Statements
- IAS 28: Investments in Associates

The standards and interpretations required to be used for the first time starting 1 January 2014 resulted in no significant effects on the interim financial statements of Vita 34 AG.

### 3. Consolidation Group

The consolidated interim financial statements encompass, apart from the parent company Vita 34 AG, the interim financial statements of the following subsidiaries:

- Novel Pharma, S.L., Madrid, Spain,
- Secuvita, S.L., Madrid, Spain,
- stellacure GmbH, Hamburg, Germany.

### 4. Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents consist of the following:

<b>Overview Cash and Cash Equivalents</b>		
EUR k	03/31/2014	03/31/2013
Cash on deposit at banks and on hand	3,383	2,658
	<b>3,383</b>	<b>2,658</b>

### 5. Income Taxes

The significant components of the income tax expenditures listed in the condensed consolidated income statement consist of the following:

<b>Consolidated Statement of Income</b>		
EUR k	01/01- 03/31/2014	01/01- 03/31/2013
Current income tax		
Current income tax income/expense	-2	0
Deferred income tax		
Origination and reversal of temporary differences	5	20
on unused tax losses	138	80
<b>Income tax expense</b>	<b>141</b>	<b>100</b>

## 6. Segment Reporting

The group is organized into business units according to products and services for the purpose of corporate taxation, and has the following two reporting business segments:

- The “Stem Cell Storage” business segment is active in the field of collection, processing and storage of stem cells from umbilical cord blood, as well as umbilical cord tissue, in addition to the development of cell therapy procedures;
- The “Biotechnology” business segment develops biological processes for cell and tissue culture and employs them in the optimization and multiplication of cells and plants. Analyses and services are performed for environmental projects.

The operating profit/loss of the business units is monitored by management separately, in order to make decisions concerning the distribution of resources and to determine the profitability of the units. The development of the segments is evaluated using operating profit. The group financing (including finance income of EUR 50k and finance expense of EUR 15k) as well as taxes on income and profits, are taxed uniformly across the group and are not attributed to the individual segments.

The offset prices between the operative segments are determined in accordance with typical market conditions amongst unrelated third-parties.

The following table contains information on income and segment results of the operating segments of the Group for the period from 1 January to 31 March 2014 or 2013.

### Period from 01/01 - 03/31/2014

EUR k	The Stem Cell Storage	Bio-technology	Total	Consolidated	Group
Revenue from transactions with external customers	3,120	93	3,213	0	3,213
EBITDA (earnings before interest and taxes, depreciation and amortization)	400	188	588	0	588
Depreciation	-236	-42	-278	0	-278
EBIT (operating profit)	164	146	310	0	310
Segment assets	32,758	2,827	35,585	0	35,585
Segment liabilities	-13,559	-530	-14,089	0	-14,089

### Period from 01/01 - 03/31/2013

EUR k	The Stem Cell Storage	Bio-technology	Total	Consolidated	Group
Revenue from transactions with external customers	3,133	37	3,170	0	3,170
EBITDA (earnings before interest and taxes, depreciation and amortization)	289	53	342	0	342
Depreciation	-258	-28	-286	0	-286
EBIT (operating profit)	31	25	56	0	56
Segment assets	33,134	2,295	35,429	0	35,429
Segment liabilities	-14,621	-334	-14,955	0	-14,955

## 6.1 Information Concerning Geographic Regions

The geographic segments of the group are determined in accordance with the revenues earned in the geographical areas.

The following table contains information on sales revenues and segment results of the geographic segments of the group for the period from 1 January to 31 March 2014 or 2013:

### Period from 01/01 - 03/31/2014

TEUR	DACH	Spain	Total	Consoli- dated	Group
Revenue from transactions with external customers	2,496	717	3,213	0	3,213
Revenue from transactions with other segments	141	0	141	-141	0
	<b>2,637</b>	<b>717</b>	<b>3,354</b>	<b>-141</b>	<b>3,213</b>
EBITDA (earnings before interest and taxes, depreciation and amortization)	577	11	588	0	588
Depreciation	-175	-103	-278	0	-278
EBIT (operating profit)	402	-92	310	0	310
Segment assets	31,181	7,739	38,920	-3,335	35,585
Segment liabilities	-10,860	-6,564	-17,424	3,335	-14,089

### Period from 01/01 - 03/31/2013

TEUR	DACH	Spain	Total	Consoli- dated	Group
Revenue from transactions with external customers	2,365	805	3,170	0	3,170
Revenue from transactions with other segments	165	0	165	-165	0
	<b>2,530</b>	<b>805</b>	<b>3,335</b>	<b>-165</b>	<b>3,170</b>
EBITDA (earnings before interest and taxes, depreciation and amortization)	455	-113	342	0	342
Depreciation	-186	-100	-286	0	-286
EBIT (operating profit)	269	-213	56	0	56
Segment assets	24,980	8,138	33,118	2,311	35,429
Segment liabilities	-6,260	-6,384	-12,644	-2,311	-14,955

DACH: Germany, Austria, Switzerland (DACH)

## 7. Information on Relationships to Friends and Family

The following table contains the compensation of persons in key positions in the period from 1 January to 31 March 2014 or 2013:

Expenses to related parties		
EUR k	2014	2013
<b>Compensation of key management personnel of the Group:</b>		
Short-term benefits:		
Remuneration of the supervisory board	7	8
Management board salaries	88	87

Leipzig, 24 April 2014

The Vita 34 AG Management Board



Dr. André Gerth  
CEO



Jörg Ulbrich  
CFO

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





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