



QUARTERLY STATEMENT

January to September 2019



Letter from the Management Board

Dear Shareholders,

In the third quarter of 2019, Vita 34 AG was able to achieve an excellent earnings development with an increase in EBITDA of 36.5% to EUR 1.8 million. As a result, we seamlessly continued the very good development of the first half of the year and after nine months achieved an increase in EBITDA of 38.4% to EUR 4.5 million.

This very good earnings development shows three things:

1. With the strategic decisions and the realignment of our international activities, especially in Denmark in 2018, we have made the right decisions and implemented the right measures. For the first time since the restructuring of our international activities, we succeeded in returning to the previous sales level of EUR 5.4 million in the third quarter – and at the same time significantly improved profitability.
2. Our business model is and will continue to be very profitable. This is impressively underlined by our EBITDA margin of 32.8% in the quarter and 30.0% in the nine-month period. The basic prerequisite for maintaining and expanding this earnings power is the high level of cost discipline that we apply within the company.
3. Additional sales impulses and growth have a direct impact on profitability. We have created a structure in which even slight percentage growth in the end customer business, as we were again able to achieve in the third quarter, is directly reflected in an increase in earnings.

The sales momentum regained in the third quarter of 2019, not only in the DACH core market but increasingly also in the other international markets, is a major reason for the once again significant increase in earnings. This return to growth is particularly evident in intra-year analyses. Accordingly, we were able to grow by 7.4% in the third quarter compared with the previous quarter. Even though, measured against the nine-month period, we still recorded a slight decline in sales of 2.8%, the development in the third quarter is clearly positive.

At the same time, we were able to round off the good sales and very good earnings development with a significant increase in operating cash flow. Cash flow from operating activities rose by 25.4% to EUR 4.6 million in the first nine months of the year, mainly driven by a strong third quarter, very good earnings development and continued stringent working capital management.

On the basis of the very satisfactory development to date, we can again confirm our full-year forecast for 2019.

As already announced, we plan to further consolidate and expand our successfully established market position in Europe with the introduction of new product lines. In the past quarter, we further substantiated our milestone planning for the new product immune cell isolate for perspective application in existing and future cell-based therapies. After extensive preparations, we will test our cell isolation process and the immune cells obtained from it in in vitro studies from the first half of 2020. We expect this development step to be successfully completed by the end of 2020. In order to ensure the sustained success of the new product line, in vivo studies will follow. We are currently planning the product launch for the end of 2022.

The high earning power, the strong cash flow generation – well beyond the current investments – and the very solid balance sheet ratios with an equity ratio of over 50% show that Vita 34 AG is ideally positioned to successfully continue along the path it has taken.

Leipzig, November 2019



Dr. Wolfgang Knirsch
Chief Executive Officer



Falk Neukirch
Chief Financial Officer

Group Key Figures

		Q3 2019	Q3 2018	9M 2019	9M 2018
Income Statement					
Sales revenue	EUR thousand	5,351	5,375	15,119	15,551
Gross profit	EUR thousand	3,472	3,232	9,487	9,006
EBITDA	EUR thousand	1,753	1,284	4,542	3,281
EBITDA margin as a percentage of sales	%	32.8	23.9	30.0	21.1
Net operating result (EBIT)	EUR thousand	1,137	767	2,697	1,682
Net result for the period	EUR thousand	173	505	1,220	1,049
Earnings per share	EUR	0.04	0.12	0.30	0.26
Balance sheet					
				09/30/2019	12/31/2018
Balance sheet total	EUR thousand			60,262	59,317
Equity	EUR thousand			30,287	29,546
Equity ratio	%			50.3	49.8
Liquid funds	EUR thousand			8,696	6,960
Cash flow					
				9M 2019	9M 2018
Investments	EUR thousand			695	854
Depreciation and amortization	EUR thousand			1,844	1,598
Cash flow from operating activities	EUR thousand			4,627	3,691
Employees					
				09/30/2019	12/31/2018
At the reporting date	Number			118	123

Course of Business & Results of Operations

NINE-MONTH PERIOD OF 2019

Business development was very stable overall. Over the entire nine-month period, this was particularly evident in the DACH region, which even gained momentum during the year. However, the development in other foreign countries also stabilized considerably. In total, sales in the first nine months fell slightly by 2.8% from EUR 15.6 million to EUR 15.1 million, in particular due to the restructuring of international business carried out in 2017/2018.

On the earnings side, the positive effects from the realignment of the international business and the unchanged high cost discipline continue to be clearly visible. As a result, the cost of sales decreased by 14.0% from EUR 6.5 million in the same period of the previous year to EUR 5.6 million.

Vita 34 increased EBITDA in the first nine months by 38.4% from EUR 3.3 million to EUR 4.5 million. The EBITDA margin (in relation to sales) improved accordingly from 21.1% to 30.0%. The operating result (EBIT) increased over-proportionately by 60.3% from EUR 1.7 million to EUR 2.7 million with continuing scheduled depreciation and amortization.

This positive development continued through to group earnings before taxes, which at EUR 2.6 million were 68.2% higher than the previous year's figure of EUR 1.5 million.

In the third quarter, a one-off tax expense of EUR 0.65 million was recorded, which is attributable to the expected outcome of a tax dispute between Vita 34 and the Leipzig tax authority. The starting point of the tax dispute was an amended determination of the tax authority for the tax return of Vita 34 AG, which resulted in a reduction of the tax loss carryforward of EUR 2.6 million as of December 31, 2006. Vita 34 AG has filed a lawsuit against this determination. In the fiscal year 2017, the financial court dispute was decided in favor of Vita 34 AG. The tax authority filed an appeal against the ruling. As a

result of the oral negotiations at the Federal Fiscal Court, the Management Board must now assume that Vita 34 AG will lose the lawsuit. On the basis of the Management Board's changed assessment, receivables amounting to EUR 0.65 million from taxes already paid will be written down. There will be no cash outflow as taxes have already been paid in the past. At the time of the publication of this quarterly statement, the Federal Fiscal Court had not yet issued a written judgement or the reasons for the judgement.

Consolidated earnings after taxes for the nine-month period thus rose from EUR 1.0 million to EUR 1.2 million. Earnings per share increased from EUR 0.26 to EUR 0.30, taking this one-off effect into account.

THIRD QUARTER OF 2019

At EUR 5.4 million, sales in the third quarter of 2019 already reached the previous year's level again. As a result, the momentum during the year was not only maintained but even increased: Compared to the previous quarter, the sales plus was 7.4%. The main factors here were higher storage figures, especially in the DACH market, combined with a recovery in the rest of the world.

The positive development on the sales side in connection with the implemented cost efficiency measures also showed positive effects in the third quarter and at all levels of the income statement. Compared to the same period of the previous year, EBITDA was again increased by 36.5% from EUR 1.3 million to EUR 1.8 million. The EBITDA margin (based on sales) rose from 23.9% to 32.8%. Total cost of sales decreased by 12.3% from EUR 2.1 million to EUR 1.9 million. The operating result (EBIT) rose from EUR 0.8 million to EUR 1.1 million. The net profit for the period after taxes for the third quarter was affected by the one-off tax effect and thus decreased from EUR 0.5 million to EUR 0.2 million.

Financial Position and Net Assets

Based on the good earnings development, combined with efficient working capital management, cash flow from operating activities increased from EUR 3.7 million to EUR 4.6 million in the nine-month period of 2019. With investments of EUR 0.7 million in the course of the year to date, this results in a correspondingly strong development of free cash flow.

Cash and cash equivalents increased to EUR 8.7 million as of September 30, 2019 from EUR 7.0 million as of December 31, 2018. Equity improved from EUR 29.5 million as of December 31, 2018 to EUR 30.3 million as of September 30, 2019. Despite an increase in the balance sheet total from EUR 59.3 million to EUR 60.3 million, the equity ratio improved from 49.8% to 50.3%.

Forecast 2019

The Management Board of Vita 34 AG continues to adhere to the full-year forecast for 2019. Sales revenues are expected in the range of EUR 21.0 to 23.0 million, EBITDA for the full year is anticipated to be in the range of EUR 5.0 to 5.6 million.

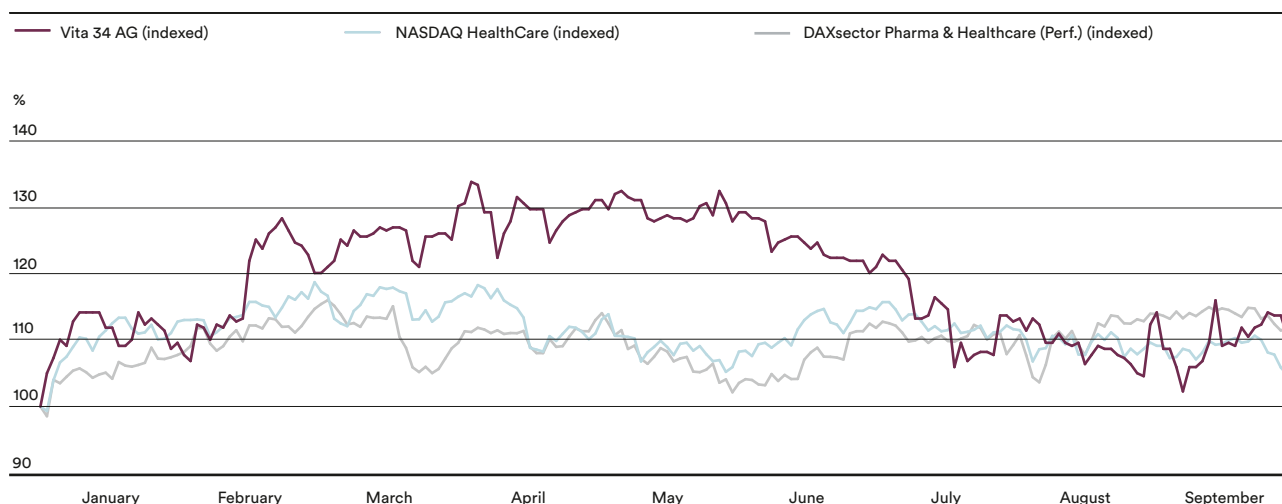
Share

Share Data 9M 2019

Ticker symbol/Reuters symbol	V3V/V3VGn.DE
Securities identification number/ISIN	A0BL84/DE000A0BL849
Number of shares	4,145,959
Price on 01/02/2019*	EUR 10.95
Price on 09/30/2019*	EUR 11.70
Market capitalization (09/30/2019)	EUR 48.5 million

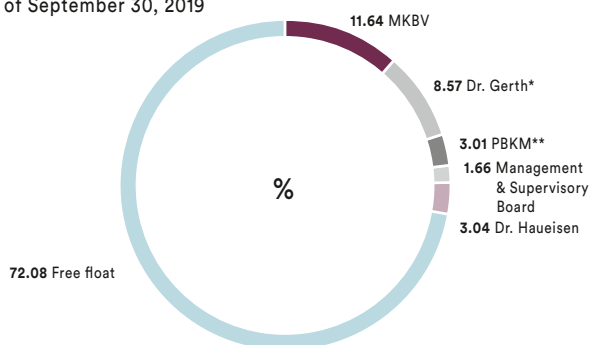
* Closing prices Xetra trading system of Deutsche Börse AG

Share Price Development 9M 2019



Shareholder Structure

As of September 30, 2019



* Attribution of voting rights of PBKM designated as "acting in concert"; see voting rights notification dated June 20, 2018

** Attribution of voting rights of Dr. Gerth designated as "acting in concert"; see voting rights notification dated June 20, 2018

Condensed Consolidated Income Statement

EUR thousand	Q3 2019	Q3 2018	9M 2019	9M 2018
Sales revenue	5,351	5,375	15,119	15,551
Cost of sales	-1,879	-2,143	-5,632	-6,545
Gross profit on sales	3,472	3,232	9,487	9,006
Other operating income	44	87	320	433
Marketing and selling expenses	-1,004	-1,138	-3,441	-3,806
Administrative expenses	-1,265	-1,278	-3,537	-3,726
Other operating expenses	-111	-136	-131	-224
Net operating result (EBIT)	1,137	767	2,697	1,682
Financial income	7	6	33	40
Financial expenses	-47	-52	-158	-193
Earnings before taxes	1,098	721	2,572	1,530
Income tax expense/income	-925	-216	-1,352	-481
Net result for the period after taxes	173	505	1,220	1,049
Attribution of the net result for the period to the:				
Owners of the parent company	163	507	1,213	1,053
Non-controlling interests	10	-2	7	-4
Earnings per share, undiluted/diluted (EUR)				
Undiluted and diluted, relating to the net result for the period attributable to the holders of ordinary shares of the parent company	0.04	0.12	0.30	0.26

Condensed Consolidated Balance Sheet (Assets)

EUR thousand	09/30/2019	12/31/2018
Non-current assets		
Goodwill	18,323	18,323
Intangible assets	18,883	19,990
Property, plant and equipment	7,258	6,908
Right-of-use assets	1,084	0
Other assets	1,018	1,312
Trade receivables	738	1,088
Restricted cash	540	296
	47,843	47,917
Current assets		
Inventories	369	456
Trade receivables	2,904	2,744
Current tax assets	83	845
Other receivables and assets	367	395
Cash and cash equivalents	8,696	6,960
	12,419	11,401
Total Assets	60,262	59,317

Condensed Consolidated Balance Sheet (Equity and Liabilities)

EUR thousand	09/30/2019	12/31/2018
Equity		
Subscribed capital	4,146	4,146
Capital reserves	23,913	23,913
Retained earnings	2,505	1,848
Other reserves	-145	-145
Treasury shares	-261	-337
Non-controlling interests	129	122
	30,287	29,546
Non-current liabilities		
Interest-bearing loans	4,166	5,383
Leasing liabilities	546	0
Deferred grants	808	827
Contract liabilities	11,429	11,355
Deferred income tax	4,642	4,306
	21,591	21,870
Current liabilities		
Trade payables	943	1,106
Provisions	103	164
Income tax payables	415	294
Interest-bearing loans	2,205	2,305
Leasing liabilities	545	0
Deferred grants	46	63
Contract liabilities	2,896	2,803
Other liabilities	1,231	1,166
	8,384	7,901
Total Equity & Liabilities	60,262	59,317

Condensed Consolidated Cash Flow Statement

EUR thousand	9M 2019	9M 2018
Cash flow from operating activities		
Earnings before taxes for the period	2,572	1,530
Adjustments for:		
Depreciation and amortization	1,844	1,598
Gains/losses on disposal of non-current assets	0	4
Other non-cash expenses/income	-24	-50
Financial income	-33	-40
Financial expenses	137	190
Changes in working capital:		
+/- Inventories	87	131
+/- Receivables and other assets	288	431
+/- Liabilities	-97	-180
+/- Contract liabilities	168	415
+/- Provisions	-61	175
Interest paid	-124	-190
Income taxes paid	-132	-321
Cash flow from operating activities	4,627	3,691
Cash flow from investing activities		
Purchase of intangible assets	-7	-14
Purchase of property, plant, and equipment	-688	-648
Purchase of companies, net of assumed cash	0	-175
Purchase of long-term financial investments	0	-17
Proceeds from the sale of property, plant, and equipment	2	0
Proceeds from the sale of financial investments	0	2,446
Interest received	11	21
Cash flow from investing activities	-681	1,613
Cash flow from financing activities		
Proceeds from share issues	176	0
Dividend payments	-656	-653
Cash outflows from loan repayments	-1,326	-1,532
Cash outflows for leases	-404	0
Cash flow from financing activities	-2,209	-2,185
Net change in cash and cash equivalents	1,736	3,118
Cash and cash equivalents at the beginning of the reporting period	6,960	4,180
Exchange rate-related change in cash and cash equivalents	0	0
Cash and cash equivalents at the end of the reporting period (liquid funds)	8,696	7,298

Imprint

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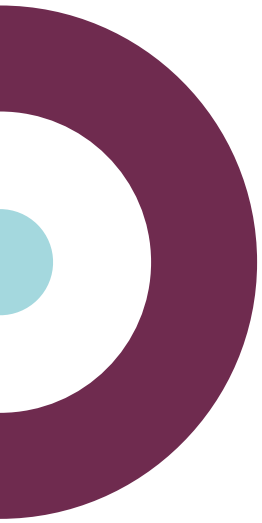
CONCEPT & DESIGN

Silvester Group, Hamburg

PUBLICATION

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Vita 34 on the Internet: www.vita34group.de



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