

(Berlin, 10.May 2024) VEGANZ GROUP AG: Veganz reports continuous improvement of Gross Profit Margin in Q1 2024

10.05.2024 / 07:35 CET/CEST

The issuer is solely responsible for the content of this announcement.

Veganz with continuous improvement in Gross Profit Margin in the first quarter of 2024

- Successful launch of Mililk® in retail and placement of private label orders
- Decrease in Sales YoY because of strategic range and customer portfolio adjustment
- Gross Profit margin improved
- New sales channel kiosk for core category
- Successful expansion of D2C business
- Increase in sales and further improvement of profitability expected for 2024

(Berlin, 10.Mai 2024) Veganz Group AG (veganz.de), the innovative food brand and pioneer for the development and production of plant-based food products, was able to successfully expand its business with its product innovation Mililk® in the first three months of 2024. With the launch of the product at dm Germany and Austria, as well as the further scaling of production for the Rewe Group's own brand orders, the group is successfully pursuing its strategy.

The total sales of Veganz Group AG in the first three months of 2024 were EUR 3.7 million (previous year: EUR 5.1 million). The decline in sales in the first quarter of the year was still influenced by the company's own decision to reduce its product offering by eliminating entire product categories with insufficient profitability. The portfolio review began at the end of 2022 and was implemented during 2023. In addition, the Veganz Group AG supported the market activities with a field service force in the first quarter of 2023, which was disbanded later in the year for profitability reasons. The decline in sales could not yet be compensated for by the new product introductions, which were still in their start-up phase in the first quarter of 2024.

### **Broad presence in all channels**

In the first three months of 2024, food retail continues to account for the largest share of sales at 54% (previous year: 59%). The drugstore business was in second place with 35% (previous year: 29%). Compared to the same period last year, Veganz can report the first sales in D2C, which further strengthens our presence in a new channel. Additionally, the new channel kiosks was entered towards the end of Q1 with our core confectionery category.

<b>in EUR million</b>	<b>3M 2024</b>	<b>3M 2023</b>
Drugstore	1,3	1,5
Food retail	2,0	3,0
Food Service	0,2	0,2
Discount	0,1	0,4
D2C	0,1	0,0

<b>Total</b>	<b>3,7</b>	<b>5,1</b>
--------------	------------	------------

### **Germany remains the most important sales market**

With a sales share of 94%, the DACH region (Germany, Austria, Switzerland) was still the most important sales market in the first quarter of 2024 (previous year: 95%). At 74%, Germany remained the largest individual market and still has the strongest focus (previous year: 76%). At 6%, the share of sales in the rest of Europe was slightly above the previous year's level (previous year: 5%).

<b>in EUR million</b>	<b>3M 2024</b>	<b>3M 2023</b>
DACH	3,5	4,8
Rest of Europe	0,2	0,3
Rest of the world	0,0	0,0
<b>Total</b>	<b>3,7</b>	<b>5,1</b>

### **Gross Profit Margin improved, EBITDA still affected from start-up costs**

The Gross Profit Margin of Veganz Group AG rose further to 39.5% in the first three months of 2024 (previous year: 33%). This is essentially due to a significant improvement of our product mix through the portfolio optimization measures already discussed and the introduction of new products and therefore represents a further step towards a financially sound product range.

EBITDA at the end of Q1 2024 was minus EUR 1,6 million (Previous year: minus EUR 1.1 million). The decline can be explained by the sales decline, which could only be partially compensated for by the higher gross profit margin and the new product innovations – which are still in the introduction phase. As far as the cost structure is concerned, due to the new production facilities in Ludwigsfelde and Cuxhaven, we recorded an increase in personnel costs to EUR 1.2 million (previous year: EUR 0.9 million), while all other cost blocks continued to decrease to EUR 2.0 million (previous year: EUR 2.1 million). However, we can attribute around EUR 0.2 million of the total costs to the production set-up of Mililk® and TVP as well as one-off marketing expenses for the introduction of Mililk®. Adjusted for these non-recurring cost items, the EBITDA loss amounted to EUR 1.4 million. The net loss for the first quarter of 2024 amounted to EUR 2.2 million. The amount of liquid assets on 31. March 2024 was EUR 4.3 million (31. December 2023: EUR 5.3 million), after payment of EUR 0.7 million in interest for the bond.

### **In-house production and core categories in focus**

Through intensive marketing activities, the innovative product Mililk® was successively positioned further in the market and production was scaled according to demand. Veganz also focused on finalising new products in the area of cheese alternatives and TVP, as well as the marketing and sales strategy for the confectionery area, which is being expanded to include additional channels.

“The implementation of our corporate strategy continues to be successful and by concentrating on profitable and innovative products we were able to increase gross profit margins in the first quarter and continue to develop the market with new placements”, says Jan Bredack, founder and CEO of Veganz Group AG.

<b>in EUR million</b>	<b>3M 2024</b>	<b>3M 2023</b>
Sales	3,7	5,1
Cost of Materials	2,3	3,4
Personnel expenses	1,2	0,9
Other operating expenses	1,9	2,0
- Marketing Expenses	0,3	0,3
- Direct costs	0,7	0,9
- Indirect costs	0,9	0,8
EBITDA	-1,6	-1,1
Net result	-2,2	-1,6
Gross Profit Margin (in %)	39,5	33,0
Cash <sup>1</sup>	4,3	5,3
Financial liabilities <sup>1</sup> : Bond	9,6	9,6
Financial liabilities <sup>1</sup> : Crowdfunding	1,8	1,8
Equity ratio (in %) <sup>1</sup>	18,9	26,1

<sup>1</sup>As of 31 December

### **Outlook 2024**

Depending on the macroeconomic conditions – in particular the development of inflationary pressure on customers' consumption behaviour – Veganz Group AG expects a slight increase in Sales in the 2024 financial year compared to the previous year (previous year: EUR 16.4 million). In addition, due to the expansion of in-house production (TVP, Mililk®, cheese alternatives) the company is assuming a slightly improved EBITDA compared to the previous year (Previous year: - 6 Mio. Euro).

<b>in EUR.million</b>	<b>2024</b>	<b>2023</b>
	Outlook	Actual
Sales	Above previous year	16,4
EBITDA	Further reduction of losses	-6,3

### **About Veganz Group AG**

Veganz (veganz.de) – Good for you, better for everyone – is a brand and producer of plant-based food. Founded in 2011 in Berlin, Veganz became known as a European vegan supermarket chain. With a colourful and life-affirming corporate philosophy, Veganz succeeded in breaking up the vegan niche and establishing the plant-based food trend on the market. The current product portfolio includes products from breakfast to dinner, which are widely available in the DACH region. The Veganz range is continuously optimised with high-quality, innovative items and the sustainable value chain is constantly improved. As a transparent brand, Veganz is B Corp certified, compares the environmental balance of all its own products with all food products in the German-speaking region and regularly sets new benchmarks for a sustainable food industry.

**Contact:**

Veganz Group AG

Massimo Garau

CFO

T: +49 (0)151 46569362

ir@vegan.de