WE DRIVE INNOVATION IN THE VEGAN WORLD!

HALF-YEAR REPORT 2023

A CLIMATE-FRIENDLY LIFESTYLE!

We animate, change, make people think and get involved in order to drive change in society. We love indulgence, facilitate a climate-friendly lifestyle and think about the future. Veganz is sustainable, conscious and tasty! With our innovative products, we do pioneering work every day and create top-quality offerings for vegan enjoyment. From breakfast to dinner, we offer climate-friendly food for a better life and a sustainable personal lifestyle based on a purely plant-based diet.

CONTENT

Foreword

ON TRACK FOR PROFITABILITY

Ladies and gentlemen,

The first half of 2023 was heavily influenced by the Ukraine conflict and its far-reaching consequences. Apart from the tremendous human catastrophe, there were also significant economic restrictions and considerable risks for the global economy. This mainly affected global supply and sales chains, energy consumption and the provision of finance. As a result, there have been shortages of vital commodities and a significant increase in inflation. Prices have risen in almost all major consumer sectors, leading to general uncertainty among consumers and severely curbing their propensity to consume[1] – especially with regard to groceries. Sales in the food retail sector fell by 5.8 percent in real terms during this period.[2]

Against this backdrop, we continued to systematically pursue the package of measures we introduced in the second half of 2022. This enabled us to significantly improve our profitability: we were able to implement the previously announced restructuring measures and set up our own production lines. Moreover, we raised sales in our key categories by 5%. Value market shares in Germany also increased by 0.5% in the sweets and snacks categories. This applies to our young core target group (Generation Z and Millennials+) who has been hit particularly hard by the current price increases due to their lower incomes. Climate and environmental protection continue to be strong drivers of the younger generation's consumption decisions, even though their focus naturally shifts temporarily to other issues during times of crisis. Nevertheless, the withdrawal of four product categories, the discontinuation of sales force activities and reduced consumer spending resulted in sales of €9.1 million (prior year: €11.5 million) at the individual company level of Veganz Group AG.

RETURN TO DISCOUNT BUSINESS, FURTHER GROWTH IN FOOD SERVICE

In the first six months of 2023, the food retail sector continued to account for the largest share of our sales at 59% (prior year: 68%), with drugstores in second place at 30% (prior year: 24%).

With a sales share of 6% meanwhile (previous year: 8%), the new food service sales channel has proved to be resilient – and in the first half of 2023 we successfully added new listings, thus making Veganz more widely available within the target group of relevant professional and experiential locations.

In the discount sector, our popular snack products are now also permanently available throughout Germany. This marks our successful return to the channel with sales of €500 thousand, representing 5% of our total business (prior year: -).

FOCUS ON GERMANY AND EUROPE

With a 90% share of sales, the DACH region (Germany, Austria, Switzerland) was once again our most important market in the first six months of 2023 (prior year: 92%). At 71%, Germany remained the largest single market and continues to be our main focus (prior year: 81%). At 10%, the share of sales in the rest of Europe was slightly up on the previous year (prior year: 8%) and we see further potential here: after being listed with the supermarket chains AB Basilopoulos, Market In, Sklavenitis and Krhtikos in Greece, among others, we have initially declared France as a further target market in which we aim to expand sales and business with Veganz products in the future.

[1] Source: McKinsey survey, June 2022

[2] Source: Lebensmittelzeitung, 'Konsumflaute lässt Einzelhandelsumsätze sinken', 31 July 2023

DEVELOPMENT OF EARNINGS

Our gross profit margin increased to 33.8% (prior year: 28.1%), due mainly to the systematic optimisation of our product range as well as successful price negotiations with our customers. With strongly reduced marketing and sales expenses of €2.3 million (prior year: €4.9 million), there were significant improvements in EBITDA and EBIT to €-3.1 million (prior year: €-5.8 million) and €-3.8 million (prior year: €-6.3 million), respectively. The net loss for the period was €4.2 million (prior year: net loss for the period of €6.8 million). Net liquidity and our equity ratio as at 30 June 2023 were significantly below the prior-year level at €-2.7 million (prior year: € 0.4 million) and 40.6% (prior year: 46.5%), respectively

PACKAGE OF MEASURES SUCCESSFULLY IMPLEMENTED

We stand by the statements made in our Annual Report 2022 regarding the Group's business model, strategy and targets. In particular, we will continue to focus on our strategic pillars: sustainability, profitability and innovation.

In view of the changing market environment, we have successfully implemented the following package of measures:

In-house production
The production facility in Ludwigsfelde, Brandenburg, which was taken over on 1 February 2023 for Veganz Food Factory Germany – and which has also been the administrative seat of Veganz Group AG since 1 May 2023 – will be used to produce our new and innovative plant-based milk alternatives using the patented 2D printing process as well as plant-based meat alternatives using peas (Textured Vegetable Protein, TVP) in the second half of 2023. The approximately 3,000-square-metre production facility, newly built in 2022, not only offers an excellent location in the Berlin-Brandenburg metropolitan region, but also a high-quality building infrastructure that enables a liquidity-preserving start-up and an optimal production ramp-up. Production capacities at our Berlin factory for the 'Cashewbert' product were relocated to our Spielberg site in Austria in the first half of 2023. This made it possible to repurpose the factory as a development centre for the latest Veganz innovation: 'Bluebert', a vegan blue cheese alternative that will go on sale in autumn 2023.

With the acquisition of global licensing rights for the Orbiplant and Orbiloop technology developed by the Fraunhofer Institute IME Aachen, Veganz has paved the way for the next milestone in its efforts to increase vertical integration

Sales force
In the course of restructuring our sales and marketing activities, we completely discontinued our sales force in the first half of the year. We will introduce a strategic realignment in the second half of 2023 with a new set-up which takes into account our profitability.

Marketing
As demand for premium brands continued to be modest in the first six months of 2023 due to adverse market conditions, we used the time to review the ingredient lists, positioning and price points of our existing and planned new products and to optimise them in light of the current raw material price increases. At the same time, we worked on product innovations for the second half of 2023. In order to adapt our strategic marketing to the current business situation, we have changed the focus of our product communication and the selection of our marketing channels. In doing so, we will

remain true to our multi-category strategy and continue to pursue our objective of being perceived as THE supplier of vegan food. Nevertheless, we have reduced our marketing activities and costs, concentrating on the defined core and focus categories as well as on products from our in-house production.

These measures are the logical step towards strengthening the Group's operational performance in the fiscal year 2023. We have identified further areas where we need to take action and are continuously working on improvements to our structures and processes as well as on improving our earnings power and competitiveness.

INNOVATIONS TO NAVIGATE TURBULENT TIMES

As part of a research cooperation project with the Fraunhofer Institute for Molecular Biology and Applied Ecology IME in Aachen, we have been working on the cultivation of peas in vertical farming since June 2022. We have thus found the perfect partner for testing sustainable cultivation options for the resources we need, enabling us to systematically drive the agricultural turnaround required to feed the world's steadily growing population in a sustainable and climate-friendly manner. This not only decouples us from volatile commodity markets and makes us more independent, but also reduces CO_2 emissions and water consumption.

Dear shareholders,

We are still in the midst of a crisis that probably none of us would have thought possible in this form and on this scale. The consequences of the COVID-19 pandemic, global supply chain problems, the Ukraine war and rising inflation are just a few of the current challenges which the food sector – and by extension also we – still have to deal with on a daily basis. Although we are convinced that the multiple crises and their effects will continue to occupy us, we are seeing the first signs of success from the measures already taken. By improving our liquidity management, cutting costs and launching further innovative products, we have risen to this challenge and hope that you will continue to accompany us on this journey.

Berlin, 28. September 2023

Jan Bredack	**Anja Brachmüller**	**Moritz Möller**	**Massimo Garau**
CEO	COO	CMO	CFO

INTERIM MANAGEMENT REPORT

BASIC PRINCIPLES AND CONDITIONS OF THE COMPANY

BUSINESS MODEL

Veganz Group AG is a German public limited company ('Aktiengesellschaft') based in Berlin. As Europe's sole multi-category provider of vegan food products, we pick up on global food trends for our product offerings and develop concepts and products that are placed and sold exclusively under our Veganz brand. Our product range includes products for all storage types (unrefrigerated, refrigerated, frozen) and for the most important meals of the day: for example, we offer breakfast ingredients – such as honey and cheese alternatives – as well as meat and fish alternatives, protein products and snacks.

Our offerings are characterised by a complete absence of all animal ingredients or products which use animal ingredients in their production and are available at over 22,000 points of sale (POS) around the world. In addition, we continuously optimise our product range with high-quality, innovative articles and constantly enhance our value chain.

WE UTILISE THE RELEVANT DISTRIBUTION CHANNELS

Our main distribution channel is the branded goods business of the food retail sector. In our core market of Germany, Austria, Switzerland (the DACH region), we market our purely plant-based food via classic retail chains, such as REWE, EDEKA, Kaufland, SPAR Austria and Coop Switzerland, as well as via drugstore chains such as Rossmann, dm Germany and Austria, Müller and Budnikowsky, as well as the German discounters LIDL and ALDI. Internationally, our products are also mainly sold via food retailers such as SPAR International, Kaufland International, dm International, Albert Heijn Netherlands, Mpreis Italy, Ahold Czechia and Coop Denmark.

Our distribution channel 'Stores' comprises the sale of our own products, as well as vegan products from producers around the world, via our own Veganz stores in Berlin. In order to reach consumers online, we also offer our products via online sales platforms such as amazon.com, rohlik.cz, puroshop.cz, snacky.ch and vekoop,de, as well as via quick online commerce providers such as Gorillas, Frischepost and Flink.

Since late 2021, we have been using the new distribution channel 'food service' in the form of cooperation agreements and brand licensing partnerships – for example with one of Germany's largest caterers Aramark, the football club RB Leipzig, the baked goods company Bakerman, the German airline Eurowings and the foodvenience provider Valora. As a result, our customers not only come into contact with our products and our brand in the supermarket, but also in a wide variety of life situations.

OUR STRATEGY INTEGRATES SUSTAINABILITY AND ECONOMIC EFFICIENCY

According to scientific studies, animal food production is responsible for 30% of global CO2 emissions and 70% of biodiversity loss[1]. This makes nutrition a major driver of global warming. Veganz regards itself as a pioneer and innovation driver for plant-based, climate-friendly food.

[1] Source: Science Vol 360, Issue 6392

As a multi-category provider, our objective is to make vegan products available to as many people as possible at competitive prices as a genuine alternative to animal food. Sustainability and environmental protection play a central role for us and our business development. And these issues are equally important for our structurally growing core target group of consumption- and nutrition-conscious Generation Z and Millennials+ consumers.

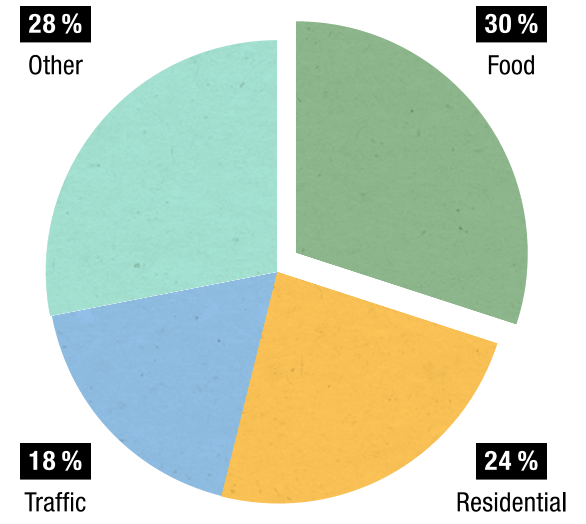
During our evolution from a single purely vegan supermarket to a self-producing, multi-category provider of vegan food, we have not only expanded our distribution channels, but also increasingly focused on making our own products. So far, we have largely outsourced production to external suppliers, providing recipe and process know-how and enabling our partners to produce the desired products for us.

WE THINK BRAND AND PRODUCTS FROM THE CUSTOMER PERSPECTIV

In the first six months of 2023, we focused our own media channels on the relevant channels for our core target group: Instagram, TikTok, Twitch and our podcast. Moreover, we have a strong connection with market-relevant, non-governmental organisations (NGOs) such as PETA and 'Deutsches Tierschutzbüro' (German Animal Welfare Office), as well as bloggers and influencers. In order to reinforce the customer-centric alignment of our brand and to meet consumer demands for transparency, we have successfully completed the B Corp. certification process.

In a macroeconomic environment marked by consumer uncertainty due to the Ukraine war and the resulting inflation, however, environmental and climate protection issues have recently fallen in the list of consumer priorities[1]: 48% of Germans are concerned about rising prices, 24% about the Ukraine crisis. Price is a particularly important issue at present: 80% of consumers are concerned about this topic when shopping. Sustainability is in second place at 49%.[2] In

SOURCES OF CO2-EMISSION



addition to the topic of sustainability, health is becoming an increasingly important issue: 54% of consumers state that healthy nutrition is the main reason for consuming less meat.[3] The consumption of non-animal alternatives to cow's milk also continues to rise: 61% of Germans now state that they consume such products.

With the aid of targeted marketing and communication activities for our core target group, we succeeded in increasing brand awareness in this difficult environment dominated by private label products during the first six months of 2023 – both in the 18-29 age group from almost 31.3% (prior year: 25%) to around 33% (prior year: 33%) and within the vegan target group by 9 percentage points to 74% (prior year: 77%). In addition, our overall brand awareness among consumers rose by 3 percentage points in the first half of 2023 and amounted to 27.7% as of June 2023 (prior year: 22%).[4]

As a rule, our products are not only based on good and simple recipes ('clean label approach') but also on complex manufacturing processes that can be protected as intellectual property. As a result, we are increasingly able to offer a unique and innovative product portfolio – an advantage that fundamentally increases the chance for new listings of our products in the Food Retail sector to enhance the respective private label brands. More and more of our product development and manufacturing is done in-house, enabling us to adapt our core portfolio to market circumstances. These include upcoming innovations such as Veganz Mililk® and our 'Snickers' alternative 'Choc Bar Peanut Caramel', which has already become a consumer favourite with 32% less sugar than conventional bars. We believe that this approach enables us to quickly and flexibly adapt our purely plant-based product portfolio to changing trends in the food market. This ability and the innovative strength that goes with it have already helped us win several awards – for example as Germany's most innovative food brand[5] or as one of Germany's most innovative brands[6].

[1] Source: McKinsey, 'Sorge vor steigenden Preisen verfestigt sich', July 2022
[2] Source: Bring! Labs AG, 'Shopping-Trend Studie 2023', March 2023
[3] Appinio, 'Lebensmittel & Getränke Report 2023', August 2023
[4] Source: Veganz brand monitoring Germany via Civey, sample size > 5,000, question: 'Which of these brands have you heard of?', June 2023
[5] Source: Handelsblatt, Juni 2021
[6] Source: Capital, Februar 2022

MANAGEMENT SYSTEM

In the first half of 2023, we significantly strengthened our performance management system with a data-driven restructuring of our organisation. The most important key performance indicators (KPIs) are now available to the entire management team on a daily basis and can be viewed in detail and with complete transparency via a common dashboard. In addition, detailed regular reporting is held in the form of weekly and monthly reports which help us assess and implement our strategy. We use both financial and non-financial KPIs for this purpose

FINANCIAL KPIs

We use the following KPIs to steer our business activities:

• **Sales (Veganz Group AG):** sales at the individual company level of Veganz Group AG are generated from the sale of our plant-based product offerings under the Veganz brand. They are recognised after delivery of the products and invoicing of our customers and correspond to receivables for delivered goods, less discounts, bonuses, rebates, refunds and value added tax, plus income from letting, licensing and agency agreements. Sales are a key indicator of demand for our products and an important factor in implementing our strategy and sustainably increasing the Company's value.

• **EBITDA (Veganz Group AG):** EBITDA of Veganz Group AG is its earnings before interest, taxes, depreciation and amortisation. It is calculated by first adding together sales and other operating income. Subtracted from this amount are the cost of materials (consisting of the cost of raw materials, consumables and supplies and of purchased merchandise), personnel expenses (consisting of wages and salaries as well as social security contributions, pension and other benefit costs) and other operating expenses (adjusted for one-off expenses that are not part of the normal course of business).

The following other financial KPIs are taken into account for internal management purposes:

• **Gross profit margin:** the gross profit margin is gross profit as a percentage of sales. We define gross profit as sales less cost of materials, in other words less the cost of raw materials, consumables and supplies and of purchased merchandise. The gross profit margin serves as an important measure of the Company's value creation and competitive strength.

NON-FINANCIAL KPIs

We attach great importance to our product-related CO2 targets. By 2025, we want to reduce our carbon footprint by 6% to 2.5 kg of CO2 emissions per kilogram of product. The permanent transparency of our life cycle analysis via the Eaternity calculation and innovative products such as Veganz Mililk® play an important role in achieving this target. Another important non-financial KPI is brand awareness (aided). This enables us to monitor the impact of marketing activities on our target groups. We believe that an increase in brand awareness reflects the overall increase in consumer familiarity with the Veganz brand.

RESEARCH AND DEVELOPMENT

We have been working together with the Technical University (TU) of Berlin and the German Institute of Food Technologies ('Deutsches Institut für Lebensmitteltechnik', DIL) on the development of so-called textured meat substitutes since December 2021. The aim is to produce protein-rich meat substitutes based on novel, regionally available protein sources with simple ('clean') recipes and a long minimum shelf life. Together with experts of TU Berlin's Food Colloids department, who help us understand the structure formation in innovative meat alternatives and adapt our recipes accordingly, we want to create the next generation of textured meat substitutes. We have used this partnership with TU Berlin to optimise products in the field of our algae-based 'Räucherlaxs' fish alternative. We succeeded in improving the textures and nutritional profiles in such a way that we were able to significantly increase its omega and protein levels.

As part of a research cooperation project with the Fraunhofer Institute for Molecular Biology and Applied Ecology IME in Aachen, we have also been working on the cultivation of peas in vertical farming since June 2022. We have thus found the perfect partner for testing sustainable cultivation options for the resources we need, enabling us to systematically drive the agricultural turnaround required to feed the world's steadily growing population in a sustainable and climate-friendly manner. This not only decouples us from volatile commodity markets and makes us more independent, but also reduces CO2 emissions and water consumption.

We do not currently capitalise our own research and development expenses.

ECONOMIC REPORT

REGULATORY CONDITIONS

We currently sell our products in Germany and several other EU member states. Our business is therefore subject to various regulatory requirements under European law and the applicable national laws of those European countries in which we operate.

We reported extensively on various regulations that apply to our business in the Management Report 2022. There were no significant regulatory changes as at 30 June 2023.

ECONOMIC CONDITIONS

In the Management Report 2022, we also reported extensively on the economic framework conditions and market trends that applied in the past and – at least in part – continue to apply. However, the world has been changed profoundly by the war in Ukraine: apart from the incalculable human tragedy, there have also been major economic repercussions and significant risks for the real economy – especially with regard to global supply chains and sales markets, as well as energy needs and the provision of credit. Compounded unfortunately by the ongoing COVID-19 pandemic, the shortage of vital commodities continued and caused inflation to soar. Prices rose in almost all relevant areas of consumption, leading to general uncertainty among consumers and severely curbing their propensity to consume[1] – especially with regard to groceries: sales in the food retail sector fell more sharply than at any time since 1994[2]. Our young core target group (Generation Z and Millennials+) have been hit particularly hard by the current price increases due to their lower incomes. However, the resulting scaling back of their lifestyle does not mean a fundamental change in their values and attitudes: climate and environmental protection, and thus also health, continue to be strong drivers of the younger generation's consumption decisions, even if their focus naturally shifts to other issues in times of crisis.

[1] Souce: McKinsey Survey, Juni 2022

[2] Source: GfK Konsumklimaindex, Juni 2022

STRONGER FOCUS ON PRIVATE LABEL PRODUCTS

According to the latest Nielsen data[1], the market for vegetarian products (including vegan products) in Germany grew by around 17% to €3.05 billion in the first six months of 2023 (prior year: €2.60 billion). The figures for this are based on the recommended retail price (RRP) in Germany – divided into a total of 64 categories based on all market participants (including private labels). The relevant market for us increased by a total of 33.6% to €975 million (prior year: €729 million). With growth of 983%, the vegetarian salmon category recorded the strongest increase – followed by vegetarian unrefrigerated canned tuna (383%), vegetarian grated cheese bars (63%) and other biscuits (60%). This strong increase is driven by the growth of private label products, which grew by around 48% to €540 million (prior year: €363 million) in our relevant market. By focusing on the profitability of our range, our relevant market has decreased from 18 to 12 categories.

Following the streamlining of our product portfolio and the restructuring of our sales and marketing activities (cost savings, termination of our sales force activities) in order to improve profitability, sales of our top 3 categories (vegetarian bars, vegetarian biscuits, vegetarian chocolate) increased slightly by 0.5% to €6.15 million. In the vegetarian bar category, we achieved growth of 15% to around €2.99 million.

Our share of sales in the relevant market, and thus our overall market position, declined by around 8% in the first six months of 2023 due to the changing consumer landscape, with a significant increase in demand for lower-cost private label products. Nevertheless, we were able to defend our market leadership among manufacturer brands in the categories of vegetarian bars and vegetarian slices and continue to be among the top 5 manufacturer brands in the three categories of vegetarian biscuits, vegetarian chocolate and vegan soft cheese according to Nielsen data.

[1] Source: Nielsen Connect Express Veggy Total Database, 2022 vs. 2023, CW1-25, Food Stores+Drugstores+Discount, Market Share Sales per Category

EARNINGS POSITION

In the first six months of 2023, the earnings position of Veganz Group AG developed as follows:

In € thousand	**1 January – 30 June 2023**	1 January – 30 June 2023
Sales	9.056	11.517
Other operating income	424	148
Cost of materials	-5.993	-8.285
Personnel expenses	-1.881	-2.268
Other operating expenses	-4.670	-6.777
Marketing expenses	-683	-2.049
Direct costs	-1.571	-2.898
Indirect costs	-2.416	-1.829
Adjusted EBITDA	**-3.065**	**-5.665**
One-off expenses and income	0	-114
EBITDA	**-3.065**	**-5.778**
Amortisation and depreciation	-707	-505
EBIT	**-3.771**	**-6.283**
Other interest and similar income	106	0
Interest and similar expenses	-475	-606
Result before taxes	**-4.141**	**-6.889**
Taxes on income	-28	133
Other taxes	0	0
Net profit/loss for the period	**-4.168**	**-6.757**

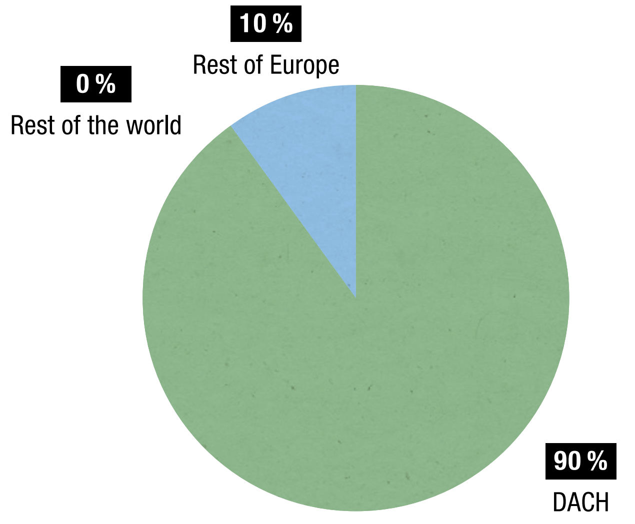
Sales of Veganz Group AG decreased year on year by 21% to €9,056 thousand (prior year: €11,517 thousand). This development was driven in particular by the focus on more profitable products and a general decline in the purchasing behaviour of end customers due to rising inflation. In addition, the competitive pressure from private label products increased significantly in the Food Retail sector, as well as in the drugstore and discount sectors.

Despite a 23% decline to €8,150 thousand in the first six months of 2023 (prior year: €10,539 thousand), the DACH region (Germany, Austria, Switzerland) was still our most important sales market with a 90% share of sales (prior year 92%). At €6,430 thousand (prior year: €8,576 thousand), Germany remained the largest single market (71% of sales; prior year: 74%) and continues to be our strongest focus. At €906 thousand (prior year: €975 thousand) and 10% (prior year: 8%), the share of sales in the rest of Europe was slightly up on the previous year.

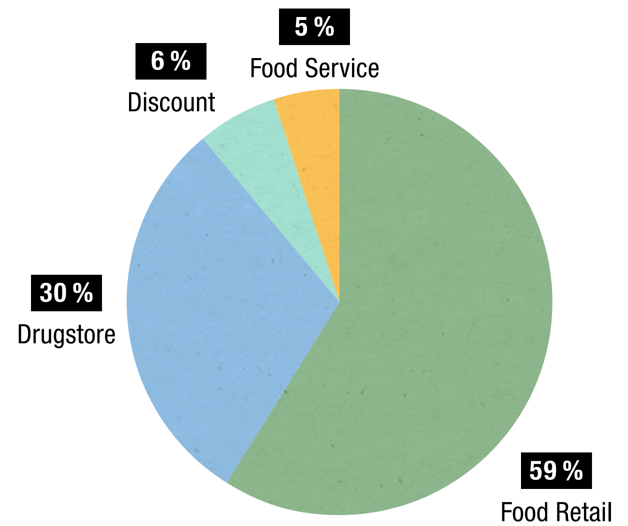
In the first six months of 2023, we generated the largest share of our total sales in the food retail sector (59%; prior year: 68%). Nevertheless, sales in this segment decreased by 32% to €5,345 thousand (prior year: €7,838 thousand). The drugstore sector came in second with a share of 30% (prior year: 24%). In this segment, we were able to keep sales stable with a decline of just 3% to €2,705 thousand (prior year: €2,787 thousand).

In the food service sector, we achieved sales of €518 thousand (prior year: €892 thousand) and in our discount business €487 thousand (prior year: -)

SALES BY REGION H1 2023



SALES BY DISTRIBUTION H1 2023



Due mainly to the optimisation of our product portfolio – and in spite of significant inflation-related price increases in procurement – the gross profit margin rose by 5.7 percentage points to 33.8% (prior year: 28.1%). In view of interrupted supply chains and a temporary shortage of raw materials caused by the war in Ukraine, the pressure on prices continued to increase. As a result of fierce competition from private label products and much greater price sensitivity among end customers, we have only been able to pass on these price increases to a limited extent so far.

Compared to the previous year, personnel expenses decreased by €387 thousand to €1,881 thousand (prior year: €2,268 thousand) due to various restructuring measures and despite the addition of 1.3 full-time equivalent (FTE) positions since the beginning of the year. In addition to the expansion of the second management level (department heads) for Procurement, Finance, Marketing and Production, we also recruited operational staff to handle the increase in production (+3.6 FTE since the beginning of the year).

Similar to the previous year, depreciation and amortisation amounted to €707 thousand (prior year: €505 thousand). The increase was mainly due to the opening of the new site in Ludwigsfelde and the corresponding investments.

Other operating expenses decreased by 31% to €4,670 thousand (prior year: €6,777 thousand). The main reason for this was the 82% decrease in costs to €281 thousand for our field sales force (prior year: €1,551 thousand). Marketing expenses were also reduced significantly to €683 thousand (prior year: €1,990 thousand).

As in the previous year, the financial result mainly consisted of net interest expenses of €475 thousand (prior year: €606 thousand) – primarily for the accrued interest of our bond amounting to €366 thousand (coupon: 7.5% p.a.) and Seedmatch crowdfunding amounting to €83 thousand.

As a result, EBITDA of €-3,065 thousand and EBIT of €-3,771 thousand were above the respective prior-year figures of €-5,778 thousand and €-6,283 thousand, respectively. The net loss for the period was €4,168 thousand (prior year: net loss for the period of €6,757 thousand).

FINANCIAL POSITION

in € thousand	**1 January – 30 June 2023**	1 January – 30 June 2022	**Change**
Cash flow from operating activities	**-1.964**	**-7.696**	**5.732**
Cash flow from investing activities	**-811**	**-752**	**-59**
Cash flow from financing activities	**-568**	**-969**	**401**
Cash effective changes of cash and cash equivalents	-3.344	-9.413	6.069
Cash and cash equivalents at the beginning of the period	12.333	28.602	-16.270
Cash and cash equivalents at the end of the period	**8.989**	**19.189**	**-10.201**

In the first six months of 2023, cash flow from operating activities amounted to €-1,964 thousand (prior year: €-7,696 thousand). In addition to the improved earnings position, this was due in particular to the decrease of €1,952 thousand in net working capital – caused by a fall in receivables of €1,497 thousand.

Due to capitalised payments of €917 thousand for production facilities, including the new site in Ludwigsfelde, cash flow from investing activities amounted to €-811 thousand (prior year: €-752 thousand).

Cash flow from financing activities amounted to €-568 thousand (prior year: €-969 thousand) – mainly due to interest paid of €475 thousand.

ASSET POSITION

	30 June 2023 in € thousand	30 June 2023 in € thousand	Change in € thousand	Change in %
Non-current assets	13.870	13.660	210	2
Current assets	14.850	20.325	-5.476	-27
Prepaid expenses	462	436	26	6
Balance sheet total	**29.182**	**34.422**	**-5.240**	**-15**
Equity	11.854	15.994	-4.140	-26
Accruals	1.686	2.703	-1.017	-38
Liabilities	15.641	15.724	-83	-1
Balance sheet total	**29.182**	**34.422**	**-5.240**	**-15**

The small change in non-current assets in the first six months of 2023 mainly results from investments in property, plant and equipment, which almost match depreciation and amortisation.

Receivables and other assets mainly comprised trade receivables of €1,469 thousand (31 December 2022: €2,504 thousand) and other assets of €2,039 thousand (31 December 2022: €2,423 thousand).

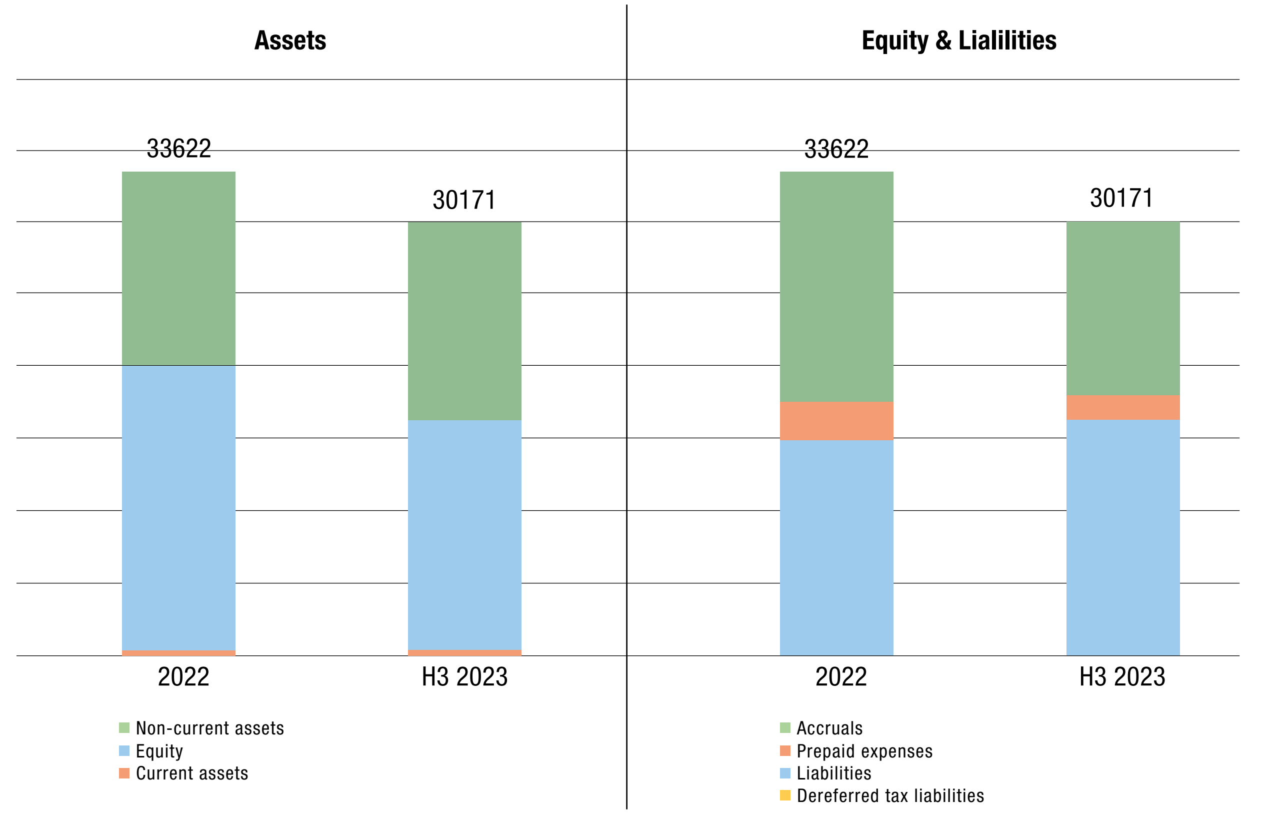
Our cash and cash equivalents mainly consisted of bank balances of €8,989 thousand (31 December 2022: €12,336 thousand) and were not subject to any restrictions on disposal.

Consequently, our equity ratio as at 30 June 2023 amounted to 40.6% (prior year: 46.5%).

Accrued expenses mainly comprised other accruals (€1,043 thousand), interest accruals (€368 thousand), accruals for personnel expenses (€217 thousand), financial statement and auditing costs (€38 thousand) and retention obligations (€21 thousand).

Due to the increase in trade payables of €396 thousand and at the same time a decrease in liabilities to affiliated companies and bonds, there was an overall decline in liabilities of €83 thousand.

BALANCE SHEET STRUCTURE AT THE END OF THE PERIOD



RISKS AND OPPORTUNITIES

We reported extensively on the expected development with its significant risks and opportunities in the Management Report 2022. The negative macroeconomic development as a result of the Ukraine war, with its strong impact on inflation and consumer behaviour, may have further negative effects on demand for our products and thus on our sales development.

There were no other significant changes in risks and opportunities as at 30 June 2023.

FORECAST REPORT

EXPECTED EARNINGS POSITION

in € million	**2023*** (consolidated) **Guidance**	2022 (consolidated) **Actual**
Sales (Veganz Group AG)	Approximately at the previous year's level	23,6
EBITDA (Veganz Group AG)	Significantly improved	-12,3

* 2022: consolidated disclosure as of Q1 2022

INTERIM FINANCIAL STATEMENTS

INTERIM BALANCE SHEET

as of 30 June 2023

ASSETS	30 June 2023 € thousand	31 December 2022 € thousand
A. NON-CURRENT ASSETS		
I. Intangible assets		
1. Software acquired for consideration	1	1
2. Brands	10.194	10.668
	10.195	**10.669**
II. Property, plant and equipment		
1. Land and buildings, including buildings on third-party land	389	-
2. Technical equipment and machinery	1.353	378
3. Other equipment, operating and office equipment	194	146
4. Prepayments made and construction in progress	945	1.673
	2.883	**2.197**
III. Long-term financial assets		
1. Holdings in affiliated companies	794	794
	794	**794**
	13.870	**13.660**
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials, consumables and supplies	49	40
2. Work in progress and merchandise	4	-
3. Finished goods and merchandise	1.854	2.268
4. Prepayments made	186	31
	2.093	**2.339**
II. Receivables and other assets		
1. Trade receivables	1.469	2.504
2. Receivables from affiliated companies	261	722
3. Other assets	2.039	2.423
	3.769	**5.650**
III. Cash in hand, bank balances	**8.989**	**12.336**
	28.721	**33.985**
C. PREPAID EXPENSES	**462**	**436**
D. DEFICIT NOT COVERED BY EQUITY	–	–
	29.182	**34.422**

EQUITY AND LIABILITIES	30 June 2023 € thousand	31 December 2022 € thousand
A. EQUITY		
I. Subscribed capital	1.252	1.223
II. Capital reserves	48.300	48.300
III. Accumulated deficit	-37.697	-33.529
IV. Deficit not covered by equity	–	–
	11.854	**15.994**
B. ACCRUALS	1.686	2.703
C. LIABILITIES		
1. Bonds	9.693	9.853
2. Liabilities to banks	0	4
3. Trade payables	3.871	3.475
4. Liabilities to companies in which a long-term equity investment is held	38	302
5. Other liabilities	2.039	2.090
	15.641	**15.724**
	29.182	**34.422**

INTERIM INCOME STATEMENT

for the period from 1 January to 30 June 2023

	1 January – 30 June 2023	1 January – 30 June 2022
	€ thousand	€ thousand
1. Sales	9.056	11.517
2. Other operating income	424	148
3. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	-5.993	-8.285
4. Personnel expenses	-1.881	-2.268
a) Wages and salaries	-1.531	-1.913
b) Social security and retirement costs - of which for retirement €4 thousand (prior year: €4 thousand)	-350	-355
5. Abschreibungen		
a) auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen	-707	-505
6. Other operating expenes	-4.670	-6.891
7. Other interest and similar income	106	0
8. Interest and similar expenses	-475	-606
9. Taxes on income	-28	133
10. Result after taxes	**-4.168**	-6.757
11. Other taxes	0	0
12. Net loss for the period	**-4.168**	-6.757
13. Losses carried forward from prior year	-33.529	-22.497
14. Accumulated deficit	**-37.697**	**-29.253**

INTERIM STATEMENT OF CASH FLOWS

for the period from 1 January to 30 June 2023

		1 January – 30 June 2023	1 January – 30 June 2022
		€ thousand	€ thousand
	Net loss for the period	-4.168	-6.757
+	Amortisation and depreciation of non-current assetss	707	505
+/-	Increase/ decrease of accruals	-1.017	-230
+/-	Other cash effective expenses/income	-66	0
-/+	Increase/ decrease of inventories, trade receivables as well as other assets which are not classified as investing or financing activities	2.102	119
+/-	Increase/decrease of trade payables as well as other liabilities which are not classified as investing or financing activities	108	-1.803
-/+	Gain/loss from the disposal of non-current assets	0	0
+/-	Interest expense/interest income	369	606
+/-	Income tax expense/income tax income	0	0
-/+	Income tax payments	–	–
=	**Cash flow from operating activities**	**-1.964**	**-7.692**
-	Payments for investments in intangible assetsn	0	-12
-	Payments for investments in property, plant and equipment	-917	-740
+	Interest received	106	–
=	**Cash flow from investing activities**	**-811**	**-752**
+	Proceeds from equity contributions	29	0
-	Disbursements for the repayment of shareholder loans	–	-190
+	Proceeds from taking on (financing) loans	–	–
-	Disbursements for the repayment of (financing) loans	-122	-173
-	Interest paid	-475	-606
=	**Cash flow from financing activities**	**-568**	**-969**
=	**Cash effective changes of cash and cash equivalents**	**-3.344**	**-9.413**
+	Cash and cash equivalents at the beginning of the period	12.333	28.602
=	**Cash and cash equivalents at the end of the period**	**8.989**	**19.189**

In accordance with GAS 21, cash and cash equivalents include not only cash in hand and bank balances, but also liabilities to banks due at any time in the form of credit lines.

INTERIM STATEMENT OF CHANGES OF NON-CURRENT ASSETS

as of 30 June 2023

	ACQUISITION AND PRODUCTION COSTS					ACCUMULATED AMORTISATION/DEPRECIATION				CARRYING VALUES	
	1 January 2023	Additions	Reclassifications	Disposals	**30 June 2023**	1 January 2023	Amortisation/ depreciation in the financial year	Disposalse	**30 June 2023**	**30 June 20**	31 December 2022
€ thousand	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
I. Intangible assets											
1. Software acquired for consideration	321	–	–	–	321	321	0	–	321	1	1
2. Brands	14.222	–	–	–	14.222	3.554	474	–	4.027	10.194	10.668
	14.543	–	–	–	**14.543**	**3.875**	**474**	–	**4.349**	**10.195**	**10.669**
II. Property, plant and equipment											
1. Buildings on third-party land	0	393	0	0	393	0	4	0	4	389	0
2. Technical equipment and machinery	453	50	1.107	–	1.610	75	182	–	257	1.353	378
3. Other equipment, operating and office equipment	772	95	–	–	867	625	47	–	672	194	146
4. Prepayments made and construction in progress	1.672	381	-1.107	–	946	–	–	–	–	945	1.672
	2.897	**919**	**–**	**–**	**3.816**	**700**	**233**	**–**	**933**	**2.883**	**2.197**
III. Long-term financial assets											
1. Holdings in affiliated companies	1.106	–	–	–	1.106	312	–	–	312	794	794
2. Long-term equity investments	25	–	–	–	25	25	–	–	25	–	–
	1.131	**–**	**–**	**–**	**1.131**	**337**	**–**	**–**	**337**	**794**	**794**
Total non-current assets	**18.572**	**919**	**–**	**–**	**19.490**	**4.912**	**707**	**–**	**5.619**	**13.870**	**13.660**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

Disclosures on the interim financial statements
The unaudited interim financial statements for Veganz Group AG cover the period from 1 January 2023 to 30 June 2023. The reporting date of the interim balance sheet is 30 June 2023.

The interim financial statements for the first six months of 2023 were prepared pursuant to the accounting principles as per the German Commercial Code (sections 242 et. seqq. 'Handelsgesetzbuch', HGB) and the supplementary regulations for corporations (sections 264 et. seqq. HGB). In addition to these regulations, the stipulations of the German Stock Corporation Act ('Aktiengesetz', AktG) were observed.

Disclosures which can electively be made on the balance sheet, the income statement or in the notes are all made in the notes to the interim financial statements.

The total cost method was selected for the interim income statement.

As per the size classifications in section 267 HGB, the Company is classified as a medium-sized corporation.

Partial use was made of the size-related disclosure simplifications pursuant to section 288 HGB.

According to section 293 (1) sentence 1 HGB, Veganz Group AG is exempt from the obligation to prepare consolidated financial statements and a group management report.

At the time of preparing these interim financial statements, Veganz Group AG was assumed to be a going concern.

IDENTIFYING INFORMATION WITH RESPECT TO THE COMPANY AS PER THE REGISTER COURT

Company name as per the register court: Veganz Group AG
Legal seat as per the register court: Berlin
Business address as per the register court:
An den Kiefern 7, 14974 Ludwigsfelde
Register entry: Commercial register
Register court: Local court of Charlottenburg
Register number.: HRB 219813 B

DISCLOSURES ON ACCOUNTING POLICIES AND VALUATION PRINCIPLES

Accounting policies and valuation principles
Acquired intangible assets were recorded at acquisition costs and are, to the extent that they have finite useful lives, reduced by scheduled amortisation.

As a result of the merger with Veganz GmbH in 2019, recognisable own brands were recorded at fair values and are reduced by scheduled amortisation.

Property, plant and equipment was recorded at acquisition or production cost and, to the extent that these items have finite useful lives, reduced by scheduled depreciation.

Scheduled depreciation was recorded using the straight-line method based on the expected useful lives of the assets.

Financial assets were recognised and valued as follows:

- Holdings in affiliated companies at acquisition cost

To the extent required as a result of permanent impairment, the lower value as of the balance sheet date was recorded. Inventories were recorded at acquisition or production cost. To the extent that the current values as of the balance sheet date were lower, these were recorded.

Receivables and other assets were valued considering all identifiable risks and at the nominal value.

Cash and cash equivalents were recorded at their nominal values. There were no deposits in foreign currencies as of the balance sheet date.

Prepaid expenses give consideration to disbursements prior to the balance sheet date for expenses for periods subsequent to the balance sheet date.

Other accrued expenses were recorded for all other uncertain liabilities at their settlement amounts. All identifiable risks were given consideration.

Accrued expenses with a remaining term of more than one year are discounted using an average market interest rate of the previous seven financial years appropriate for the remaining term.

Liabilities were recorded at their settlement amounts. Deferred taxes are recorded for temporary differences between balance sheet line items as per the commercial accounts and the tax accounts. As of 30 June 2023, deferred tax liabilities amounted to €0 (30 June 2023: €3,122 thousand)

Items in a foreign currency are valued using the exchange rate in effect on the date of the transaction and are translated into euros (€). Furthermore, assets and liabilities in a foreign currency were translated using the mean average exchange rate as of the balance sheet date. To the extent that the remaining term was one year or less, the realisation principle and the acquisition cost principle were not applied pursuant to section 256a HGB.

INTERIM BALANCE SHEET DISCLOSURES

Disclosures on intangible assets
Brands were capitalised for the first time subsequent to the merger of Veganz GmbH, Berlin, with the Company in 2019. They are amortised over a period of 15 years

Disclosures on mergers
The assets of Veganz Food Trailer GmbH were merged with those of Veganz Group AG as of 1 January 2022.

Disclosures on property, plant and equipment
The breakdown and development of property, plant and equipment is presented in the interim statement of changes of non-current assets.

Disclosures on receivables and other assets
Trade receivables had a remaining term of less than one year. Other assets mainly included tax receivables of €348 thousand.

Disclosures on the classes of shares
The Company's subscribed capital of €1,252 thousand is divided into 1,251,999 no-par value bearer shares with a nominal share of subscribed capital of €1.00 each.

Disclosures on subscribed capital
As a result of the utilisation of the complete Authorised Capital 2020/I and 2021/Ia, the subscribed capital was increased by €556 thousand to €1,223 thousand in the fiscal year 2021. On the basis of a resolution of the Annual General Meeting on 6 October 2021, the Management Board was authorised to increase the Company's subscribed capital in the period ending 5 October 2026 on one or more occasion in connection with the exercise of options by up to €29 thousand in total (Authorised Capital 2021/Ib). Based on the authorisation granted by a resolution of the Annual General Meeting on 6 October 2021, the share capital has been increased by €28,600.00 to €1,251,999.00. With a resolution of the Supervisory Board on 13 January 2023, Article 3 (Share Capital and Shares) of the Articles of Association has been amended (Authorised Capital 2021/III).

Disclosures on capital reserves
The amounts recorded within the capital reserves included, on the one hand, amounts resulting from the merger of Veganz GmbH with Veganz Group AG and thereby comprised additional capital contributions to equity by shareholders pursuant to section 272 (2) no. 4 HGB. On the other hand, the capital increase from the private placement and the IPO resulted in a new transfer to capital reserves of €44,532 thousand in 2021.

Disclosures on other accrued expenses
The reduction of accrued expenses to an amount of €1,686 thousand (31 December 2022: €2,703 thousand) mainly resulted from the release of contingent liabilities for settled legal disputes (€145 thousand), as well as the release of condition agreements and outstanding invoices.

Disclosures on holdings in other companies of at least 20%

Company name / legal seat	Holding	Equity	Annual results
	in %	€ thousand	€ thousand
Veganz Retail Berlin GmbH & Co. KG, Berlin	100	727	-130[1]
Veganz Retail GmbH i.I., Berlin	100	-8.430	133[2]
Veganz Verwaltungs GmbH, Berlin	100	17	-1[3]

[1] Annual financial statements as of 31 December 2021
[2] The company is currently in insolvency proceedings under own management; figures presented here are preliminary figures as of 29 January 2022
[3] Annual financial statements as of 31 December 2020

Disclosures on remaining terms
The amount of liabilities and their remaining terms is presented below:

Disclosures on other liabilitiesn
Other liabilities included subordinated loans totalling €1,980 thousand (31 December 2022: €1,980 thousand) from Seedmatch crowdfunding.

Liabilities in € thousand	Up to 1 year	2 to 5 years	**Total**
Bonds	–	9.693	9.693
Previous year	*–*	*9.853*	*9.853*
To banks	-	–	-
Previous year	*4*	*–*	*4*
Trade payables	3.871	–	3.871
Previous year	*3.475*	*–*	*3.475*
To companies in which an equity investment is held	38	–	38
Previous year	*302*	*–*	*302*
Other	766	1.273	2.039
Previous year	*83*	*2.007*	*2.090*
Total	**4.675**	**10.966**	**15.641**
Previous year	***3.864***	***11.860***	***15.724***

DISCLOSURES ON THE INCOME STATEMENT

Disclosures on sales
The breakdown of sales by region and distribution channel is as follows:

in € thousand	1 January - 30 June 2023	1 January - 30 June 2022
DACH	8.150	10.539
Rest of Europe	906	975
Rest of the world	0	3
Total	**9.056**	**11.517**

in € Tsd.	1 January - 30 June 202	1 January - 30 June 2022
Food retail	5.345	7.838
Drugstore	2.706	2.787
Discount	563	-
Food Service	442	892
Total	**9.056**	**11.517**

Disclosures on other operating income
Other operating income included income from the release of accruals amounting to €155 thousand (prior year: €23 thousand), as well as income attributable to other periods of €89 thousand (prior year: €20 thousand).

Disclosures on other operating expenses
Other operating expenses mainly included sales and marketing expenses of €2,253 thousand (prior year: €4,948 thousand), as well as operating and rental costs of €448 thousand (prior year: €531 thousand).

Disclosures on interest and similar expenses
Interest and similar expenses mainly included interest expenses for the bond and crowdfunding totalling €449 thousand (prior year: €458 thousand). .

Disclosures on taxes on income
Taxes on income mainly included capital gains taxes of €26 thousand. In the previous year, this item mainly consisted of the release of deferred tax liabilities of €133 thousand.

OTHER DISCLOSURES

Average number of employees
The number of employees (full-time equivalents, FTEs) at the Company as of 30 June 2023 was 76.0 (30 June 2022: 72.1), of which 46.4 (30 June 2022: 48.1) were female and 29.6 (30 June 2022: 24.0) male

Statement of cash flow
In accordance with GAS 21.34, cash and cash equivalents comprise cash and cash equivalents less liabilities to banks due at any time in the form of overdraft facilities. In the statement of cash flows, it corresponds to the balance sheet items 'Cash in hand, bank balances' and proportionately to 'Liabilities to banks'.

Events of particular significance subsequent to the reporting period

Package of measures successfully implemented
We stand by the statements made in our Annual Report 2022 regarding the Group's business model, strategy and targets. In particular, we will continue to focus on our strategic pillars: sustainability, profitability and innovation.

In view of the changing market environment, we have successfully implemented the following package of measures:

In-house production
The production facility in Ludwigsfelde, Brandenburg, which was taken over on 1 February 2023 for Veganz Food Factory Germany – and which has also been the administrative seat of Veganz Group AG since 1 May 2023 – will be used to produce our new and innovative plant-based milk alternatives using the patented 2D printing process as well as plant-based meat alternatives using peas (Textured Vegetable Protein, TVP) in the second half of 2023. The approximately 3,000-square-metre production facility, newly built in 2022, not only offers an excellent location in the Berlin-Brandenburg metropolitan region, but also a high-quality building infrastructure that enables a liquidity-preserving start-up and an optimal production ramp-up. Production capacities at our Berlin factory for the 'Cashewbert' product were relocated to our Spielberg site in Austria in the first half of 2023. This made it possible to repurpose the factory as a development centre for the latest Veganz innovation: 'Bluebert', a vegan blue cheese alternative that will go on sale in autumn 2023.

With the acquisition of global licensing rights for the Orbiplant and Orbiloop technology developed by the Fraunhofer Institute IME Aachen, Veganz has paved the way for the next milestone in its efforts to increase vertical integration and secure its own raw material requirements for the planned production line for meat alternatives in Ludwigsfelde.

Sales force
Despite the substantial expansion of our field sales force to 50 employees in 2021, we were unable to achieve the anticipated impact on sales in the current market and competitive environment. In order to improve our sales efficiency, we therefore downsized the sales force from 50 to 30 as of 31 July 2022 and have now completely discontinued it.

Marketing
As demand for premium brands continued to be modest in the first six months of 2023 due to adverse market conditions, we used the time to review the ingredient lists, positioning and price points of our existing and planned new products and to optimise them in light of the current raw material price increases. At the same time, we worked on product innovations for the second half of 2023. In order to adapt our strategic marketing to the current business situation, we have changed the focus of our product communication and the selection of our marketing channels. In doing so, we will remain true to our multi-category strategy and continue to pursue our objective of being perceived as THE supplier of vegan food. Nevertheless, we have reduced our marketing activities and costs, concentrating on the defined core and focus categories as well as on products from our in-house production.

These measures are the logical step towards strengthening the Group's operational performance in the fiscal year 2023. We have identified further areas where we need to take action and are continuously working on improvements to our structures and processes as well as on improving our earnings power and competitiveness.

Berlin, 28. September 2023

Jan Bredack	Anja Brachmüller	Moritz Möller	Massimo Garau
CEO	COO	CMO	CFO

FINANCIAL CALENDAR

15. November 2023 Quartalsmitteilung Q3 2023

IMPRINT

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veganz.de

Management board: Jan Bredack, Anja Brachmüller, Moritz Möller, Massimo Garau
Supervisory board: Roland Sieker

Local court of Charlottenburg HRB 219813 B
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Marcus Beyer

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