



Quarterly Statement Q1 2022

Veganz starts fiscal year 2022 on subdued note due to global supply chain problems and impact of Ukraine war

- Missing discount business
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(Berlin, 31 May 2022) Veganz Group AG ([veganz.de](https://www.veganz.de)), the only multi-category supplier of vegan food in Europe, got off to a subdued start in its fiscal year 2022 – due mainly to global supply chain problems and the effects of the Ukraine war. The increased focus of food retailers and discounters on ensuring basic supplies made it almost impossible for Veganz to achieve new product listings and plan promotional measures in the discount sector. As a result, the number of points of sale (POS) as of 31 March 2022 decreased to 22,308 (31.12.2021: 25,199), whereby the decrease of 3,340 POS in the discount sector caused by the lack of promotional activity was partially offset by an increase in POS in the Company's regular business. Sales of the Veganz Group, which were consolidated for the first time in the first quarter of 2022, were therefore down on the previous year at EUR 6.8 million (EUR 6.9 million, unconsolidated/prior year: EUR 8.8 million, unconsolidated). Sales at individual company level of Veganz Group AG fell to EUR 6.3 million (prior year: EUR 8.0 million). Due in part to supplier price increases which Veganz is unable to pass on until the end of the second quarter of 2022 when it renegotiates its own prices, the gross profit margin amounted to 29.5 percent (prior year: 30.3 percent). There was a corresponding decline in EBITDA and EBIT to EUR -1.9 million (prior year: EUR -1.3 million) and EUR -2.1 million (prior year: EUR -1.5 million), respectively. Thanks to the successful IPO in November 2021, net cash and the equity ratio of Veganz Group AG were significantly above the previous year at EUR 10.6 million (prior year: EUR -13.2 million) and 54 percent (prior year: - percent), respectively.

“We are glad that, thanks to our IPO, we have sufficient liquid funds in these crisis-hit times to be able to continue our strategy of making plant-based alternatives available to as many people as possible,” says Alexandra Vázquez Bea, CFO of Veganz Group AG. “We would therefore like to express our sincere gratitude to all shareholders who support us – and thus climate and environmental protection – even under adverse conditions.”

Missing discount business, growth in food service

In the first quarter of 2022, the main focus of the food retail sector was to secure basic supplies for the population. Nevertheless, it still accounted for the largest share of Veganz Group AG's sales with 70 percent (prior year: 63 percent). Drugstores were the second largest sector at 24 percent (prior year: 23 percent). The new food service distribution channel introduced in late 2021 achieved encouraging growth, accounting for 6 percent of sales. This comes at a time when many sports events and company restaurants are still struggling with limited attendance and restrictions due to the COVID 19 pandemic (prior year: - percent). Veganz has also signed a cooperation agreement with the German airline Eurowings. Since May 2022, passengers can enjoy the climate-friendly “Veganz Gummi Bears” on board more than 70 planes.

“Our collaborations with RB Leipzig, Bakerman, Aramark and, most recently, Eurowings, mean that we can now also place our climate and environmentally friendly products outside the food retail sector,” says Jan Bredack, founder and CEO of Veganz Group AG. “Above all, however, these high-profile partnerships demonstrate the value of the Veganz brand and the huge potential that also – and in particular – lies in our new food service distribution channel.”

Compared to the same quarter last year, which benefited from exceptionally strong promotional business, the discount sector – in which Veganz does not yet have any fixed listings – suffered disproportionately from the Ukraine war and the associated loss of promotions in the first quarter of 2022 with a sales share of zero percent (previous year: 14 percent).

in EUR million	Q1 2022	Q1 2021
Food retail	4.4	5.0
Drugstore	1.5	1.9
Discount	-	1.1
Food service	0.4	-
Total	6.3	8.0

Focus on Germany and Europe

With a 92 percent sales share, the DACH region (Germany, Austria, Switzerland) was the most important sales market for Veganz once again in the first quarter of 2022 (prior year: 91 percent). At 83 percent, Germany remained the most important single market and the main focus of business (prior year: 78 percent). At 8 percent, the sales share in the rest of Europe was unchanged from the previous year (prior year: 8 percent). However, Veganz still sees potential here: following the latest listings with supermarket chains AB Basilopoulos, Market In, Sklavenitis and Krhtikos in Greece, among others, the Company has added France and Spain as target markets in which it aims to expand sales and business with Veganz products.

in EUR million	Q1 2022	Q1 2021
DACH	5.7	7.3
Rest of Europe	0.5	0.6
Rest of world	0.0	0.1
Total	6.3	8.0

Innovative product assortment

As the only multi-category provider in Europe, Veganz offers the possibility to eat vegan meals from breakfast to dinner. With the increasing share of climate and environmentally conscious consumers, the demand for alternatives to conventional products is also rising – a trend that Veganz recently took advantage of with its “Choc Bar Peanut Caramel” as an alternative to one of Germany’s most popular peanut chocolate bars. Not only do the Company’s many years of experience in the development of plant-based alternatives come into play here, but also its high level of innovation and ability to successfully master technological challenges, such as the production of caramel without butter.

Temporary in-house production solution

Due to the direct effects of the Ukraine war – especially in the course of the global shortage of raw materials such as steel – Veganz expects both delays and rising costs for the planned construction of its Veganz Food Factory in Werder (Havel). With investment costs around 30 percent higher than planned (previously: EUR 12.6 million), production at the new Veganz Food Factory is not expected to start before the second quarter of 2023. However, a large part of the additional in-house production volume originally planned for 2022 will now be covered by temporary intermediate production facilities. The machines ordered for the Food Factory will already be used and operated here by the Company’s own employees as of mid-2022 in

order to meet the increased demand for innovative Veganz cheese and fish alternatives by means of higher-margin in-house production.

Guidance 2022

For the fiscal year 2022, Veganz plans to expand brand awareness consistently further. Depending on the general conditions – in particular the expected worsening of supply chain bottlenecks, further negative effects of the Ukraine crisis and inflationary pressure on the consumer behaviour of customers, which cannot be assessed conclusively – the Company expects a slight sales decrease for the fiscal year 2022, both at Group level and at individual company level of Veganz Group AG. Despite the non-recurrence of the one-off expenses required in the prior year due to comprehensive financing measures, the Company expects a slightly lower EBITDA compared to the prior year due to the sales decrease and the expected costs for the construction and expansion of the Veganz Food Factory.

in EUR million	Q1 2022 Veganz Group AG (unconsolidated)	Q1 2021 Veganz Group AG (unconsolidated)	Q1 2022 Veganz Group (consolidated)
Sales Veganz Group	6.9	8.8	6.8
Sales Veganz Group AG	6.3	8.0	6.7
Adjusted EBITDA	-1.8	-1.2	-1.9
One-off expenses	0.1	0.1	0.1
EBITDA	-1.9	-1.3	-2.0
Net loss	-2.3	-1.8	-2.4
Gross profit margin	29.5%	30.3%	29.9%
Net cash	10.6	-13.2	n/a
Equity ratio	54%	- %	n/a

About Veganz Group AG

Veganz ([vegan.de](https://www.vegan.de)) – Good for you, better for everyone – is the brand for plant-based food. Founded in Berlin in 2011, Veganz became known as the European vegan supermarket chain. With a colourful and life-affirming corporate philosophy, Veganz succeeded in opening up the vegan niche and establishing the plant-based food trend on the market. The current product portfolio comprises products from breakfast to dinner and is available in more than half of all European countries and at over 22,000 points of sale (POS) worldwide. In addition, the Veganz product portfolio is continuously optimised with high-quality, innovative items and its sustainable value chain is constantly being improved. For this commitment, Veganz was voted Germany's most innovative food brand in a [Handelsblatt 2021 ranking](#).

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