



Quarterly Statement Q1 2023

Veganz with earnings improvement in the first quarter of 2023

- Sales decline due to product range optimisation and market situation
- Sales increase in the discount business
- Germany remains most important sales market
- Gross profit margin and earnings improved
- Cost reduction and efficiency improvement programme shows first effect
- Next milestones in in-house production
- Guidance 2023 confirmed

(Berlin, 11 May 2023) Veganz Group AG ([veganz.com](https://www.veganz.com)), the only multi-category provider of vegan food in Europe, still had to contend with the ongoing economic weakness and consumers' continued reluctance to buy in the first quarter of 2023. So, Veganz Group AG's sales in the first quarter of 2023 was EUR 5.2 million (prior year: EUR 6.3 million). However, the consistent optimisation of the product range in favour of profitability, which led to the discontinuation and delisting of individual products – and thus to deliberate sales losses – also contributed to this.

Sales increase in the discount business

In the first quarter of 2023, food retail continued to account for the largest share of sales with 61 percent (prior year: 70 percent). The drugstore business was in second place with 30 percent (prior year: 25 percent). Compared to the same period last year without promotional business, the German discount business showed a pleasing return in sales with a share of 7 percent in the first three months of 2023 (prior year: no sales). The food service sales channel achieved a 2 percent share of sales in the first quarter 2023 (prior year: 5 percent).

in Euro million	Q1 2023	Q1 2022
Food retail	3.1	4.4
Drugstore	1.5	1.6
Discount	0.4	-
Food service	0.2	0.3
Total	5.2	6.3

Germany remains most important sales market

With a 95 percent share of sales, the DACH region (Germany, Austria, Switzerland) remained the most important sales market in the first three months of 2023 (prior year: 93 percent). Germany remained the largest single market with 79 percent, which continues to be the strongest focus (prior year: 82 percent). At 5 percent, the share of sales in the rest of Europe was slightly below the previous year's level (prior year: 7 percent).

in Euro million	Q1 2023	Q1 2022
DACH	4.9	5.8
Rest of Europe	0.3	0.5
Rest of world	0.0	0.0
Total	5.2	6.3

Gross profit margin and earnings improved

The gross profit margin of Veganz Group AG increased in the first quarter of 2023 to 33.0 percent (prior year: 29.5 percent), mainly due to an improved product mix. With marketing costs down to EUR 0.4 million (prior year: EUR 0.8 million), EBITDA and net loss for the period improved to EUR -1.7 million (prior year: EUR -1.9 million) and EUR 2.2 million (prior year: EUR 2.3 million), respectively, despite the decline in sales – particularly as a result of the measures taken as part of the cost reduction and efficiency improvement programme. Net cash as of 31 March 2023 was EUR -1.6 million (prior year: EUR 0.5 million), but also takes long-term financial liabilities into account. Excluding bond and crowdfunding, net cash was EUR 10.4 million (prior year: EUR 12.5 million). The equity ratio reached 78.2 percent (31 December 2022: 46.5 percent).

Next milestones in in-house production

In the production facility in Ludwigsfelde, Brandenburg, which was taken over on 1 February 2023 for Veganz Food Factory Germany and into which the administration of Veganz Group AG also moved on 1 May 2023, the Company will produce the new, innovative plant-based milk alternatives using the patented 2D printing process as well as plant-based meat alternatives on a pea basis ("Textured Vegetable Protein", TVP) in the second half of 2023. The around 3,000-square-metre production facility, newly built in 2022, offers not only an excellent location in the Berlin-Brandenburg metropolitan region, but also a high-quality building infrastructure that will enable a liquidity-preserving start-up and an optimal production ramp-up.

"We are pleased that we have already been able to show in the first quarter of 2023 that the strong focus on our profitability as well as the cost reduction and efficiency improvement programme are starting to pay off and will pay off even more as the year progresses," says Jan Bredack, founder and CEO of Veganz Group AG. "Even if we initially have to accept a drop in sales in the course of the product range optimisation, the first improvements in earnings show that it is worth it."

Guidance 2023 confirmed

Depending on the macroeconomic conditions – in particular the negative effects of the energy crisis and inflationary pressure on the consumer behaviour of our customers – Veganz Group AG expects sales in the fiscal year 2023 to be roughly at the previous year's level (prior year: EUR 23.6 million). However, due to the extensive cost reduction and efficiency improvement programme, as well as the expansion of in-house production with the start of the production facility in Ludwigsfelde, the Company expects a significantly improved EBITDA compared to the previous year (prior year: EUR -12.3 million).

in Euro million	Q1 2023	Q1 2022
Sales	5.2	6.3
Cost of materials	3.4	4.4
Personnel expenses	0.9	1.0
Other operating expenses	2.1	2.8
- <i>marketing expenses</i>	0.4	0.8
- <i>direct costs</i>	1.0	1.2
- <i>indirect costs</i>	0.8	0.8
EBITDA	-1.7	-1.9
Net loss for the period	-2.2	-2.3
Gross profit margin (in %)	33.0	29.5
Net cash ^{1,2}	-1.6	0.5
Equity ratio (in %) ²	78.2	46.5

¹ Including long-term financial liabilities, i.e. EUR 10m bond maturing in February 2025 and EUR 2m crowdfunding redeemable in December 2023

² Prior-year figures as of 31 December 2022

About Veganz Group AG

Veganz ([veganz.com](https://www.veganz.com)) – 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 28,000 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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