

(Berlin, 10.Mai 2024) VEGANZ GROUP AG: Veganz publishes the annual report 2023

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- 50% reduction in losses thanks to cost reduction measures and efficiency improvement programme
- 6% growth in core categories
- Change of location and opening of new production facility at the Veganz Food Factory Ludwigsfelde
- Successful start of production and market launch of Veganz Mililk®
- Scaling Veganz eCommerce auf 100k Sales within 6 months

(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, also had to struggle with consumers' purchasing reluctance and the persistently weak economic development in 2023. In a consumer climate characterised by uncertainty and a trading down towards private labels, Veganz Group AG responded with plant-based innovations for brands and private labels, strategic product range adjustments, a cost reduction and efficiency increase programme and the successful expansion of production facilities. Thanks to the effectiveness of such measures, the company grew by 6% in the strategic core categories. In the vegetarian bars category it grew more than the German market: while the market grew by 19% in market share sales, Veganz Group AG grew by 23%.

Nevertheless, the strategic product range adjustments led to a deliberate decline in Sales for the Veganz Group AG to EUR 16.4 million (previous year: EUR 23.6 million) while EBITDA improved by 49.2% to minus EUR 6.3 million (previous year: minus EUR 12.3 million).

### **Scaling Veganz eCommerce**

In 2023, the food retail sector continued to contribute the largest share of Veganz Group AG's Sales at with 56% of the total (previous year: 64%); the decline was due to product range adjustments and cost savings in the field sales organisation. The drugstore business is becoming increasingly important for Veganz, accounting for 31% of total sales (previous year: 25%). In addition, the discount channel grew overproportionally and achieved a 6% share in 2023 (previous year: 3%). The food service sector now accounts for a stable share of sales of 6% (previous year; 8%) and will be further expanded in 2024 with the new portfolio of products such as Mililk® and TVP. This will be accompanied by the further scaling of the new online D2C business, which at the end of 2023 has already achieved sales of over EUR 100 thousand after only six months .

<b>in EUR million</b>	<b>2023</b>	<b>2022</b>
Drugstore	5,1	5,9
Food retail	9,2	15,1
Food Service	0,9	1,9

Discount	0,9	0,7
D2C	0,3	0,0
<b>Total</b>	<b>16,4</b>	<b>23,6</b>

### Focus on the DACH region

With a 93% share of Sales, the DACH region (Germany, Austria, Switzerland) was again the most important sales market for Veganz in 2023 (previous year: 90%). With 74% of Sales, Germany remained the largest single market, (previous year: 74%), thereby continuing to be the company's strongest focus. The contribution of the rest of Europe with 7% was below the previous year's level (previous year: 10%). The focus of Sales remains on the DACH region and expanding into existing and other sales channels. And not to be forgotten: Thanks to the Europe-wide license to print milk alternatives, the company will have the opportunity to open up new target markets with innovative products in the future.

in EUR million	2023	2022
DACH	15,3	21,3
Rest of Europe	1,2	2,3
Rest of the world	0,0	0,0
<b>Total</b>	<b>16,4</b>	<b>23,6</b>

### Gross Profit Margin improved to 38,5% and losses reduced

The Gross Profit Margin of Veganz Group AG rose to 38.5% in 2023 (previous year: 32.4%). Thanks to the increase in the Gross Profit Margin and the implementation of cost reduction and efficiency programmes, the EBITDA losses were halved. At the end of the year, EBITDA was minus EUR 6.3 million (previous year: minus EUR 12.3 million).

The cost reduction programmes extended across the entire company and led to increased efficiency in all areas, so that direct costs were reduced to EUR 3.2 million (previous year: EUR 5.6 million). In addition, due to the portfolio optimisation, marketing expenses could be reduced to EUR 1.7 million (previous year: EUR 3.7 million).

In 2023, Veganz continued to invest in building up production capacity, which led to higher depreciation (2023: EUR 1.7 million, previous year: EUR 1.0 million).

Accordingly, EBIT and net losses both improved to minus EUR 7.9 million (previous year: minus EUR 13.3 million) and minus EUR 9.5 million (previous year: minus EUR 11.0 million) respectively.

Due to the operating losses and investments in production facilities, cash and equity ratio fell to EUR 5.3 million (previous year: EUR 12.3 million) and 26.1% (December 31, 2022: 46.5%) respectively.

### Successful start and expansion of in-house production

In 2023 Veganz was able to successfully implement its own product ideas such as the Veganz Bluebert and Veganz Mililk®. With the successful launch of Mililk® from the new production site in Ludwigsfelde and placement among the early adopters, as well as the expansion of production capacities for cheese alternatives in Spielberg, Austria, as well as in the newly added Happy Cheeze production facility in Cuxhaven, the group is now in

a position to further increase profitability and at the same time develop sales with protected product innovations. The production facilities primarily serve the demand from trading partners in the DACH region for the Veganz brands (Veganz, Happy Cheeze and Mililk®) and private labels.

“In 2023 we continued implementing our strategic goals in a coherent way. We consciously gave up sales through the rationalization of our product offering and costs optimization, as well as through the change to a production company. We successfully launched products from our own production facilities, such as Mililk® and Bluebert. Our strategy to increase the profitability through innovations from our own production is successful. Nevertheless, we were still confronted by a market affected by dampened consumer“, says Jan Bredack, Founder and CEO of the Veganz Group AG.

in EUR million	2023	2022
Sales	16,4	23,6
Cost of Materials	10,1	16,0
Personnel expenses	3,9	4,6
Other operating expenses	10,5	15,1
- Marketing Expenses	1,7	3,7
- Direct costs	3,2	5,6
- Indirect costs	5,6	5,7
EBITDA	-6,3	-12,3
Net result	-9,5	-11,0
Gross Profit Margin (in %)	38,5	32,4
Cash <sup>1</sup>	5,3	12,3
Financial liabilities <sup>1</sup> : Bond	9,6	9,9
Financial liabilities <sup>1</sup> : Crowdfunding	1,8	2,0
Equity ratio (in %) <sup>1</sup>	26,1	46,5

<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).

in EUR.million	2024	2023
	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.

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