



Press release

Vinpai publishes its 2024 Half Year Results

- ✓ **Growth in restated revenue¹ over the 1st half of 2024, up +28.2% compared with 1st half of 2023, to €5.1 million**
- ✓ **Results reflect development investments**
- ✓ **Backlog impacted by an unfavorable economic trend for consumption, especially organic and natural products**
- ✓ **Postponement by one year of targets of revenue of €16 million and EBITDA >10%, to 2026**
- ✓ **Short-term momentum driven by the launch of new products**

Saint-Dolay - France, October 2, 2024 - 6:00 pm CEST - Vinpai (ISIN: FR001400AXT1; ticker: ALVIN), a specialist in the design, manufacture and marketing of algae- and plant-based functional ingredients for the food and cosmetics industries, today announces its results for the first half of 2024, ended June 30, 2024, approved by the Board of Directors today.

Philippe Le Ray, Chief Executive Officer and Co-founder, states: *“In the midst of an economic climate impacted by rising prices penalizing consumption, particularly organic and natural products, we have achieved double-digit revenue growth thanks to the efforts of our sales force and our capacity for innovation. To maintain this momentum, we have strengthened our sales efficiency through the implementation of a targeting strategy of key and large-scale players, with a focus on several flagship and high value-added ranges in our product mix:*

- ✓ *Vin'FibrAlg designed to replace chemical additives;*
- ✓ *V-Salt aimed at replacing salt;*
- ✓ *ULTRATEX CARE, for more eco-friendly cosmetics production.*

We look forward to building on this strategy, initiated in April, to boost our revenue from the 4th quarter of 2024. At the same time, we remain active in high-potential export zones such as India, where we have set up a strategic partnership, Pakistan and South-East Asia. We are thus confident in Vinpai's ability to achieve its mid-term targets for revenue of €16 million and EBITDA above 10%, despite recent economic trends leading to postpone their achievement by one year.”

¹ The restatement concerns the recognition in sales of €290k of costs and freight (CFR deliveries) and invoices to be issued (FAE, “*facture à établir*” in French) at the end of June 2024.



2024 Half Year Results

In €k - unaudited	06/30/2024	06/30/2023	Change in %
Reported revenue	4,724	3,984	+18.6%
Restated revenue	5,111¹	3,984	+28.2%
Gross margin	1,967	1,935	+1.7%
EBITDA	(957)	(381)	n/a
Operating profit	(1,203)	(612)	n/a
Profit before taxes	(1,342)	(834)	n/a
Net profit (group share)	(1,276)	(781)	n/a

In the first half of 2024, Vinpai reported restated sales up +28% compared with June 30, 2023, amounting to €5,111k¹ (vs. €3,984k as of June 30, 2023). On a reported basis, revenue amounted to €4,724k (+19% compared with the same period in 2023) with the business mix remaining unchanged, food segment accounting for more than 80% of total revenue.

The backlog stood at €3.3 million on September 30, 2024. This backlog level is the result of:

- ✓ the scaling-up of the Company's industrial facility at the end of 2023, which has significantly accelerated the production pace and enabled the backlog to be delivered more quickly, with lead times between 4 and 6 weeks, and
- ✓ normalization resulting from the hedging of raw materials supply risk over the last two years by industrial companies, now moving back to a just-in-time inventory management policy by shortening order planning horizons.

In the first half of 2024, gross margin stood at €1,967k compared to €1,935k on June 30, 2023, bringing the gross margin rate down 7 points to 41.6%, compared with 48.6% in the first half of 2023. This downturn stems directly from an unfavorable product mix, as sales shifted to lower value-added products due to consumers adopting more budget-friendly products against a backdrop of high prices.

Operating expenses increased by +30% to €5.9 million as of June 30, 2024, mainly due to the scaling-up of the production facility and the implementation of the strategy aimed at boosting sales to large groups. The Company's EBITDA thus sets at -€957k as of June 30, 2024, compared with -€381k as of June 30, 2023.

Operating profit amounted to -€1,203k, compared with -€612k at the end of June 2023.

After taking into account a financial loss of -€147k, relating to interest payments on financing secured, and non-recurring income of €9k, the net loss deteriorated to -€1,276k in the first half of 2024, compared with -€781k in the first half of 2023.

Cash position as of September 30, 2024

On September 30, 2024, Vinpai's cash position, strengthened over the 3rd quarter by an advance on a partner's current account from one of the founding shareholders, stood at €184k, compared with €269k on December 31, 2023. In this respect, the Company is



unlikely to repay the principal amount of its mid- to long-term debt maturing within the next 12 months. It estimates that its current cash position will be sufficient to meet all its maturities by December 2024. Consequently, the Company is actively exploring other sources of financing to refinance its debts, by rescheduling them, and to finance its development. At the same time, it will maintain strict cost control in order to preserve its cash position.

Strategy and outlook

Over the coming months, Vinpai intends to pursue its growth momentum by maintaining a controlled operating cost structure. The Company will benefit from the roll-out of new products presented at the beginning of the year (Vin'Curd+ and ULTRATEX CARE), from improved referencing with major global groups and a broader commercial reach, particularly in Asia, a high potential market. Vin'UV Protect, a sun protection solution for the cosmetics industry, pursues its development with a marketing planned for the 4th quarter of 2024.

Considering the slowdown in sales growth observed over the last few months but given the potential of new products and the structural growth of plant-based solutions in the food and personal care sectors, the Company expects the achievement of its targets of revenue of €16 million and an EBITDA rate of over 10% by one year, to 2026 (instead of 2025 as initially announced).

Availability of the 2024 Half Year Financial Report

The interim financial statements were approved by the Board of Directors on October 2, 2024. The 2024 half year financial report will be available, within the legal deadlines, by October 31, 2024 on the Company's Investor Relations website (www.vinpai-finance.com), in the Documentation section. The interim financial report contains an observation concerning the Company's ability to continue as a going concern over the next 12 months given its current cash position.

Next event:

- ✓ **Investor Access, on October 15-16, 2024:** Vinpai's management will be available to investors for individual face-to-face interviews.

Next financial announcement: 2024 third quarter sales, on October 31, 2024, after market close

About Vinpai

Vinpai is an ingredien'tech company specializing in the design, manufacture and marketing of algae, plants, mineral and fiber-based functional ingredients offering manufacturers natural alternatives to chemical additives. Positioned in the most promising market segments, Vinpai now supports manufacturers in the food industry, its historical market, cosmetics and nutraceuticals, thanks to cross-technology know-how, enabling them to increase the nutritional qualities of their finished products. The combination and association of ingredients and food additives allows manufacturers to accelerate their development, optimize their production costs and generate profitability. Operating from two sites, in Saint-Dolay and Rieux (Morbihan) near the port of Saint-Nazaire, Vinpai has



developed more than 3,500 formulas and now has 47 employees. In 2023, the Company generated revenues of nearly €8 million, more than half of which abroad, and is established in more than 35 countries.

For further information: www.vinpai.com

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Disclaimer

This press release may contain forward-looking statements about the Company's objectives and prospects. These forward-looking statements are based on the current estimates and expectations of the Company's management, and are subject to risk factors and uncertainties, including those described in its 2023 annual financial report published on April 10, 2024.

Readers' attention is particularly drawn to the risks and uncertainties inherent in the Company's short- or medium-term working capital requirements, its current financing horizon being limited to the end of December 2024. The Company is also subject to other risks and uncertainties, such as the Company's ability to implement its strategy, the pace of development of Vinpai's production and sales, changes in the competitive environment and, more broadly, any risks associated with managing the Company's growth.

The forward-looking statements contained in this press release may not be achieved due to these or other unknown risk factors and uncertainties, or factors which the Company does not currently consider material and specific.

The occurrence of all or part of such risks could cause the actual results, financial conditions, performances, or achievements of Vinpai be materially different from those mentioned in the forward-looking statements.

This press release and the information it contains do not constitute an offer to sell or subscribe, or the solicitation of an order to buy or subscribe, Vinpai shares in any country.

