



## Great market interest prepares the ground for the future

### July–September 2021

- Net sales for the third quarter amounted to TSEK 610 (544).
- Operating profit before depreciation and amortization (EBITDA) amounted to TSEK -5,933 (-3,671), and EBIT amounted to TSEK -6,061 (-3,788).
- Net profit amounted to TSEK -6,178 (-3,769).

### January–September 2021

- Net sales amounted to TSEK 1,269 (825).
- Operating profit before depreciation and amortization (EBITDA) amounted to TSEK -13,513 (-13,939), and EBIT amounted to TSEK -13,875 (-14,281).
- Net profit amounted to TSEK -14,035 (-14,629).

### Significant events July–September 2021

- The UK's leading online store for vegan food launched DUG®.
- Veg of Lund carried out a directed issue of units of approximately MSEK 30 and an issue of warrants to existing shareholders.
- Agreements were concluded with several of the nationwide grocery store chains and major online stores in Sweden.
- Walmart-owned Sam's Club opened a flagship store in Shanghai, introducing DUG®.
- Member of the board Thomas Olander stepped down from the Board of Directors.
- The company conducted a directed issue of 36,822 shares following a request for conversion from lenders in the bridge facility.
- Emma Källqvist took up position as new CFO as of 1 July.

### Significant events after the period

- The company conducted a directed issue of 78,080 shares following a request for conversion from lenders in the bridge facility.
- The organization was strengthened with a Supply Chain Responsible.
- UK chain Gourmet Coffee Bar & Kitchen and the coffee specialist Bean 14 introduced DUG®.
- The UK food chain Waitrose expanded its plant-based range to include DUG®.

### Summary of the Group's indicators (see definitions on page 15)

TSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Full year 2020
Net sales	610	544	1,269	825	1,177
Gross margin, %	21	32	24	35	33
EBITDA	-5,933	-3,671	-13,513	-13,939	-17,325
EBITDA margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Operating profit (EBIT)	-6,061	-3,788	-13,875	-14,281	-17,785
EBIT margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Net profit for the period	-6,178	-3,769	-14,035	-14,629	-18,348
Profit margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Earnings per share before and after dilution, SEK	-0.54	-0.36	-1.28	-1.45	-1.80
Solidity, %	76	85	76	85	70
Equity per share, SEK	2.18	0.94	2.18	0.94	0.60
Balance sheet total	34,791	11,671	34,791	11,671	9,063
Cash flow from operating activities	-8,172	-2,913	-17,928	-15,238	-17,899
Average number of employees	6	3	4	2.5	2.5

This information is such that Veg of Lund AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation and the Market Securities Act. The information was submitted for publication, through the agency of the contact person set out below, at 8:00 am CET on 9 November 2021.

#### For more information, please contact:

Cecilia Lindwall, CEO.  
Tel: +46 765 014 809  
E-mail: [cecilia.lindwall@vegoflund.se](mailto:cecilia.lindwall@vegoflund.se)

Emma Källqvist, CFO.  
Tel: +46 721 869 018  
Email: [emma.kallqvist@vegoflund.se](mailto:emma.kallqvist@vegoflund.se)

This report, as well as other financial information and press releases, is available on the company's website, [www.ir.vegoflund.se](http://www.ir.vegoflund.se)



## A word from the CEO

### Ready for growing sales in additional markets

Veg of Lund and our new brand DUG® have in a short period of time won the market's clear approval as the first and only potato beverage in the world. Veg of Lund aims to be the most sustainable company in the world. That is an important undertaking, which we are proud to be guided by in our day-to-day work. We have clarified our business concept to we will offer palatable, healthy, and nutritious potato-based products to the market.

The launch of DUG onto our strategic markets Sweden and the United Kingdom and in China and other selected geographies continues. It has been an intense and really fun quarter, which gave us the operational and financial prerequisites to continue building the company. We have strengthened the organization, added more retailers, developed collaborations, and improved the production and logistics chain. This is to meet the growing demand that we expect will follow from increased visibility as we ramp up our marketing efforts. DUG is a unique brand with a clear and strong profile, based on the promise of *Taste without Compromise*.

In August, Veg of Lund carried out a new issue of MSEK 30, which provides us the means to increase production capacity, launch in new markets and carry out marketing activities. I and my colleagues are pleased with the confidence of the investors, and together with all of Veg of Lund's shareholders, we will bring DUG to the consumers throughout the world.

DUG is now appearing on the shelves of more and more stores, and in several online stores. We have signed agreements with the major Swedish food chains Axfood (Hemköp, Willys and Tempo), City Gross, and ICA and with leading online stores such as Mathem, Apotea and Delitea. We are pursuing our strategy and have made our way into several independent coffee shops. As of November, we will also be carried by Gourmet Coffee Bar & Kitchen, which operates a network of coffee shops in connection with railway stations across the United Kingdom. This is the UK's leading chain of railway station coffee bars, which will give us a very high visibility, particularly in the light of the enhancing mobility as restrictions are lifted. In the United Kingdom, we have also concluded agreements with several major e-commerce stores, such as The Vegan Kind and Amazon. We also recently signed an agreement with Waitrose & Partners, one of the United Kingdom's largest and most influential food chains. We are very happy with this cooperation, as Waitrose is a trendsetter and shares our values regarding sustainability. This is a major breakthrough for us in the UK grocery market, and we are hoping for a domino effect. In China, premium chains such as Sam's Club and Ole' are offering our range of plant-based beverages.

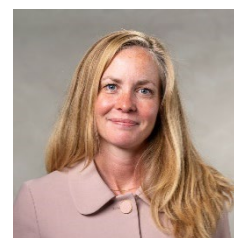
We have signed agreements during the third quarter, which are expected to generate sales as of the fourth quarter. We continue to have ongoing discussions with various categories of customers in the catering, food retail, and coffee shop industries.

#### *Production and logistics*

DUG is a new brand and a unique product. It will take some time to raise awareness and induce consumers to dare to try. Our assessment is that the demand for DUG will grow, and we have therefore evaluated the possibilities to scale up production in additional facilities, apart from the existing one in the United Kingdom.

We are at an advanced stage of discussion with producers and raw material suppliers in Europe and new partners in North America. Consequently, we will soon be closer to the consumers, which entails that we will be able to launch in more markets, deliver more quickly, and reduce our climate footprint further.

We take pride and pleasure in what Veg of Lund and DUG have accomplished thus far, but we have only taken the tiny first steps. We have a lot ahead of us, and we are now aiming to



"It has been an intense and really fun quarter, which gave us the operational and financial prerequisites to continue building the company. We have strengthened the organization, added more retailers, developed collaborations, and improved the production and logistics chain."

Cecilia Lindwall,  
CEO



introduce DUG in the important US market, the third of our strategic markets. The US launch will follow the same strategy as previously. Negotiations are under way with a North American producer with capacity to scale up in step with rising demand. We already have an agreement in place with Organic Food Brokers, a sales broker which has prepared a plan for the initial marketing activities. Sales presentations are projected to commence in early 2022.

#### *Patents and products*

Veg of Lund is a company based on patents and products that benefit the planet. We already have a solid patent protection for the stable plant-based emulsion and the method to manufacture it on which Veg of Lund was established.

In addition to dairy product categories, we have an ongoing project involving potato-based meat. This is a research and development project in cooperation with Scandi Standard, where we aim to introduce a novel alternative meat by the end of 2022.

#### *Organization*

Veg of Lund's organization consists of six employees, and we recently had the pleasure of welcoming Per Henrik Johnson, who will be responsible for the company's manufacturing, sourcing, and logistics from December onwards. We will continue to strengthen the organization to achieve our growth plans. In addition, we have a network of consultants and specialists in research & development and marketing, sales brokers in the United Kingdom and the United States, and strategic partners in China and selected European countries.

#### *Sales*

During the quarter, Veg of Lund's net sales amounted to TSEK 610, a 12 percent increase over the corresponding quarter last year. The sales of DUG to customers in Sweden and the United Kingdom account for the great majority of the total. Due to bottlenecks in the logistical chain, we have not been able to sell to customers in China during the quarter. We have taken determined action towards finding transport options, and it is gratifying that we will be able to resume deliveries from the middle of the fourth quarter.

#### *Marketing*

Veg of Lund's brand DUG is off to an excellent start. In a short period of time, we have attracted significant attention and established trust in our products. This was due to DUG's small climate footprint, neutral taste, absence of allergens, high nutritional value, and versatile use in many dishes. To ensure this position, we will bring our existing and future products together under the DUG brand, and that means that My Foodie will be relaunched under the DUG brand. Shortley, DUG will gain greater visibility in the Swedish market through a number of channels.

Veg of Lund is in a remarkable position. We have patents that give us the opportunity to produce unique plant-based foods. We have a tailwind in the form of the sharp increase in demand for sustainable, nutritious, and delicious products with a minimized climate footprint. We have products awakening the curiosity of consumers and a plan for how to make DUG a favourite among consumers in more and more countries, and we are strengthening our production and logistics to reach them.

*Cecilia Lindwall,*  
CEO



## Financial overview

### Development of sales

During the third quarter, net sales totaled TSEK 610 (544), an increase of 12 percent. The growth in sales is attributable to the ongoing launch of DUG® in Sweden and the United Kingdom.

### Operating expenses

#### *Other external expenses*

Other external expenses increased to TSEK 5,413 (3,465) in the third quarter as a result of the launch and marketing of DUG®.

#### *Personnel expenses*

Personnel expenses increased compared with the previous year, to TSEK 1,333 (442), due to organization building.

#### *Depreciation/amortization*

Depreciation/amortization for the third quarter amounted to TSEK 128 (117), mostly attributable to depreciation of plant and equipment.

### Profit

#### *Operating profit (EBIT)*

Operating profit for the third quarter 2021 amounted to TSEK -6,061 (-3,788), mostly as a result of the increased costs.

#### *Net financial items*

The financial profit for the quarter amounted to TSEK -117 (-19) and mainly comprised interest related to bridge loans.

#### *Net profit for the period*

Net profit for the quarter amounted to TSEK -6,178 (-3,769).

#### *Earnings per share*

Earnings per share for the quarter amounted to SEK -0.54 (-0.36).

### Cash flow, investments, and financial position

#### *Cash flow*

Cash flow during the third quarter 2021 amounted to TSEK 23,342 (-2,706) due to a positive cash flow from financing activities of TSEK 31,638 (250). Cash flow was burdened by the cash flow from operating activities of TSEK -8,172 (-2,913).

#### *Investments*

During the quarter, investments in intangible assets amounted to TSEK 124 (43), relating to the company's patent application processes. No investments in property, plant and equipment were made during the quarter.

#### *Change in cash and cash equivalents*

Cash and cash equivalents increased by TSEK 23,343 (-2,708) during the quarter, to TSEK 26,212 (8,029).

#### *Capital position*

To ensure that the current financing needs are met has Veg of Lund carried out a directed issue of units amounting to MSEK 30 during the quarter. The subscription price amounted to SEK 34 per share and the number of shares increased through the issue by 885,000 shares. Each unit comprised three shares and one warrant. To give the existing shareholders in Veg of Lund an opportunity to get partial compensation for the dilution arising from the issue of shares and warrants, the Board of Directors resolved at the same time to issue 489,619 Series TO1 warrants free of charge to existing shareholders in Veg of Lund. The warrant terms and conditions are specified in the press release issued on 25 August 2021.

During the quarter, the Board of Directors resolved upon a directed new issue of 36,822 shares to one of the lenders, in response to a request for conversion. After the end of the quarter, the Board of Directors



resolved to carry out an additional directed issue of 78,080 shares to a lender in response to another request for conversion. Both requests were made in accordance with the conversion rights stipulated in the bridge facility agreement, which were described in detail in a press release issued on 17 February 2021.

The Board of Directors continues its active evaluation of various financing options to ensure the long-term financing and optimal capital structure of the company. This is to support the ongoing launch of DUG with regard to production, logistics and marketing.

#### *Equity*

The group's total equity amounted to TSEK 26,467 (9,895) at the end of the period, and equity per share amounted to SEK 2.18 (0.94).

#### **The parent company**

In addition to sales in Sweden, Veg of Lund AB's operations include head office functions such as group-wide management and administration.

During the third quarter of 2021, the parent company's net sales increased to TSEK 778 (520), of which TSEK 248 (463) represented intra-group sales. Net profit for the period amounted to TSEK -4,558 (-3,069). Investments in tangible and intangible fixed assets amounted to TSEK 124 (43).

For other matters, see the information provided for the group.



## The share and the shareholders

Veg of Lund's share, ticker VOLAB and ISIN SE0013281979, is listed on Nasdaq First North Growth Market since 10 February 2020. The number of shares outstanding totals 12,146,256 shares, corresponding to 12,146,256 votes. The number of warrants outstanding amounts to 1,336,539. For the period January–September 2021, the average number of shares amounted to 10,974,198. The diluted number of shares as of 30 September was 11,618,088.

As of 30 September 2021, Veg of Lund AB (publ) had 7,626 shareholders.

### Trading in the share

Total liquidity in the share during the third quarter of 2021 amounted to MSEK 484 (26). The number of transactions for the same period totaled 50,232 (5,003). The average volume per transaction decreased to 230 (562). The average daily turnover for the Veg of Lund share was 174,919 shares, at an average share price of SEK 37.99.

### Ownership structure on 30 September 2021

Name	Number of shares and votes	Share of capital and votes, %
Eva Tornberg through company	1,314,370*	10.8%
Anders Färnqvist	790,000	6.5%
Anders Hättmark through company	658,710*	5.4%*
Torbjörn Malmsjö	499,375	4.1%
Försäkringsaktiebolaget, Avanza Pension	483,936	4.0%
Einar Haugland	442,000	3.6%
LU Holding	322,061	2.7%
Försäkringsaktiebolaget, Skandia	281,459	2.3%
Kenneth Eriksson	250,000	2.1%
Thomas Holmgren	167,201	1.4%
Other shareholders	6,937,144	57.1%
Total	12,146,256	100.0%

Source: Euroclear and Veg of Lund

\*Adjusted for sales as of 24 September 2021, which were not registered with Euroclear until October 2021.



## Other disclosures

### Employees

The average number of employees in the group amounted to 6 (3) during the quarter.

### Annual General Meeting 2022

The Annual General Meeting for the financial year 2021 will be held on Wednesday, 11 May 2022.

### Nomination Committee for the 2022 AGM

The Nomination Committee for the Annual General Meeting 2022 has been established and consists of Kaj Söderström, representing Reosurf AB, Chairman of the Nomination Committee; Anders Hättmark, representing Confidera Syd Aktiebolag; Torbjörn Malmsjö; and Torbjörn Clementz, Chairman of the Board of Veg of Lund AB.

### Upcoming publication dates

Year-end report 2021	17 February 2022
Interim Report January–March 2022	10 May 2022
Interim Report April–June 2022	16 August 2022

### Significant related-party transactions

During the quarter, the company's related-party transactions totaled TSEK 180 (372). All transactions have been conducted on market conditions.

### Accounting principles

The interim report is prepared in accordance with the Swedish Annual Accounts Act as well as the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3).

### Significant risks and uncertainties

Veg of Lund is working continuously to identify, assess and manage various risks and exposures faced by the group. Veg of Lund's financial position and performance are affected by various risk factors to be taken into account when evaluating the company and its future performance.

The risks and uncertainties that Veg of Lund's operations are exposed to are described on pages 25-26 of the company's annual report for 2020. In Veg of Lund's assessment, there have been no significant changes to these risks or uncertainties after the presentation of the annual report.

### *Effects of the COVID-19 pandemic*

Although the COVID-19 crisis continues, we note that most of the restrictions have been lifted across our markets. We can meet our customers and suppliers, and this facilitates negotiations and shortens lead times. Veg of Lund looks forward to persistent reductions of the infection rate, but still considers it essential to maintain a high degree of flexibility, for example with regard to changing circumstances as a result of new variants of the virus or planned vaccination efforts.

### Certified Adviser

Certified adviser for the Company is Eminova Fondkommission AB, telephone: +46 8 684 211 10, email: [adviser@eminova.se](mailto:adviser@eminova.se).



## Assurance

The Board of Directors and the CEO confirm that this interim report provides a true and fair view of the group's and the parent company's operations, position and performance and describes material risks and uncertainties faced by the parent company and the companies belonging to the group.

Malmö, Sweden, 9 November 2021

*Torbjörn Clementz*  
Chairman of the Board

*Anders Hättmark*  
Director

*Linda Neckmar*  
Director

*Eva Tornberg*  
Director

*Roger Johansson*  
Director

*Cecilia Lindwall*  
Chief Executive Officer

This report has not been reviewed by the company's auditors.





## Consolidated income statement

TSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Full year 2020
Net sales	610	544	1,269	825	1,177
Other operating income	717	67	1,573	91	805
<b>Total income</b>	<b>1,327</b>	<b>611</b>	<b>2,842</b>	<b>916</b>	<b>1,982</b>
<i>Operating expenses</i>					
Cost of goods sold	-482	-371	-962	-533	-794
Other external expenses	-5,413	-3,465	-12,797	-12,929	-16,665
Personnel expenses	-1,333	-442	-2,532	-1,371	-1,823
Depreciation, amortization and impairment	-128	-117	-362	-342	-460
Other operating expenses	-32	-4	-64	-22	-25
<b>Operating profit (EBIT)</b>	<b>-6,061</b>	<b>-3,788</b>	<b>-13,875</b>	<b>-14,281</b>	<b>-17,785</b>
Interest income and similar items	1	19	21	66	66
Interest expense and similar items	-118	0	-179	-412	-627
<b>Result from financial items</b>	<b>-117</b>	<b>19</b>	<b>-158</b>	<b>-346</b>	<b>-561</b>
<b>Profit before tax (EBT)</b>	<b>-6,178</b>	<b>-3,769</b>	<b>-14,033</b>	<b>-14,627</b>	<b>-18,346</b>
Taxes	-	-	-2	-2	-2
<b>Net profit for the period</b>	<b>-6,178</b>	<b>-3,769</b>	<b>-14,035</b>	<b>-14,629</b>	<b>-18,348</b>
Number of shares	12,146,256	10,567,272	12,146,256	10,567,272	10,567,272
Average number of shares	11,529,017	10,567,272	10,974,198	10,089,502	10,208,617
Earnings per share before and after dilution, SEK	-0.54	-0.36	-1.28	-1.45	-1.80

Profit for the period and total comprehensive income is fully attributable to the shareholders of the parent Company. The company has three warrant programmes, 2020/2023, 2021/2024, and TO1. More details on the first programme are given in the Annual Report for the financial year 2020. The second programme was implemented in the second quarter of 2021, when Veg of Lund's Board of Directors decided, on the authority of the Annual General Meeting of 12 May 2021, to carry out a directed issue of 290,920 warrants with deviation from the shareholders' preferential rights. Each warrant entitles the holder to subscribe for one new share in Veg of Lund during the exercise period between 1 May and 31 May 2024.

Entitled to subscribe for Series 2021/2024 warrants are Veg of Lund's Board of Directors and key individuals. The market value of the warrants was determined by a financial institute using the Black & Scholes valuation model, and the warrants were issued for a consideration of SEK 1.24 per warrant. The directed issue provided Veg of Lund proceeds of approximately SEK 325,000. Each warrant entitles the holder to subscribe for one (1) new share in the company at a subscription price of SEK 16.02.

The latest series of warrants was resolved upon by Veg of Lund's Board of Directors during the third quarter 2021, on the authority of the Annual General Meeting of 12 May 2021, when it was decided to carry out a directed issue of 295,000 warrants with deviation from the shareholders' preferential rights. In addition, 489,619 warrants were issued to shareholders in compensation of the dilution caused by the previously conducted issue of shares and warrants. Each warrant entitles the holder to subscribe for one new share in Veg of Lund during the exercise period between 25 February and 10 March 2022.

## Notes

1. The company received reorientation support allowance of TSEK 63 for the period March–April 2020.



## Consolidated statement of financial position

TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
<b>Intangible assets</b>			
Capitalized expenditure for development	198	330	297
Patents, trademarks and licences	1,361	844	928
<b>Total intangible assets</b>	<b>1,559</b>	<b>1,174</b>	<b>1,225</b>
<b>Property, plant and equipment</b>			
Equipment, tools, fixtures and fittings	727	1,037	960
<b>Total property, plant and equipment</b>	<b>727</b>	<b>1,037</b>	<b>960</b>
<b>Non-current financial assets</b>			
Non-current financial receivables	15	15	15
<b>Total non-current financial assets</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Total non-current assets</b>	<b>2,301</b>	<b>2,226</b>	<b>2,200</b>
<b>Inventory, etc.</b>			
Finished trade goods	1,586	367	252
Raw materials	1,473	216	361
<b>Total inventory, etc.</b>	<b>3,059</b>	<b>583</b>	<b>613</b>
<b>Current receivables</b>			
Trade receivables	596	115	45
Other receivables	1,122	334	620
Prepaid expenses and accrued income	1,501	384	672
<b>Total current receivables</b>	<b>3,219</b>	<b>833</b>	<b>1,337</b>
<b>Cash and cash equivalents</b>	<b>26,212</b>	<b>8,029</b>	<b>4,913</b>
<b>Total current assets</b>	<b>32,490</b>	<b>9,445</b>	<b>6,863</b>
<b>TOTAL ASSETS</b>	<b>34,791</b>	<b>11,671</b>	<b>9,063</b>



TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Share capital	777	676	676
Share premium reserve	78,189	44,179	44,179
Translation reserve	439	224	418
Retained earnings	-38,903	-20,555	-20,555
Result for the financial year	-14,035	-14,629	-18,348
<b>Total equity</b>	<b>26,467</b>	<b>9,895</b>	<b>6,370</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other non-current liabilities	324	-	-
<b>Total non-current liabilities</b>	<b>324</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Trade payables	1,565	1,342	1,084
Other current liabilities	5,448	53	258
Accrued expenses and prepaid income	987	381	1,351
<b>Total current liabilities</b>	<b>8,000</b>	<b>1,776</b>	<b>2,693</b>
<b>Total liabilities</b>	<b>8,324</b>	<b>1,776</b>	<b>2,693</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34,791</b>	<b>11,671</b>	<b>9,063</b>



## Consolidated changes in equity

TSEK	Share capital	Share premium reserve	Translation reserve	Retained earnings	Result for the financial year	Total equity
<b>The beginning of the period, 1 Jan 2021</b>	<b>676</b>	<b>44,179</b>	<b>418</b>	<b>-20,555</b>	<b>-18,348</b>	<b>6,370</b>
Disposition of previous year's result	-	-	-	-18,348	18,348	-
New issuance	82	31,596	-	-	-	31,678
Issuance of warrants	19	2,414	-	-	-	2,433
Translation reserve	-	-	21	-	-	21
Net profit for the period	-	-	-	-	-14,035	-14,035
<b>The end of the period, 30 Sep 2021</b>	<b>777</b>	<b>78,189</b>	<b>439</b>	<b>-38,903</b>	<b>-14,035</b>	<b>26,467</b>

TSEK	Share capital	Share premium reserve	Translation reserve	Retained earnings	Result for the financial year	Total equity
<b>The beginning of the period, 1 Jan 2020</b>	<b>502</b>	<b>18,568</b>	<b>1</b>	<b>-6,416</b>	<b>-14,139</b>	<b>-1,484</b>
Disposition of previous year's result	-	-	-	-14,139	14,139	-
New issuance	174	29,826	-	-	-	30,000
Issuance expenses	-	-4,465	-	-	-	-4,465
Issuance of warrants	-	250	-	-	-	250
Translation reserve	-	-	223	-	-	223
Net profit for the period	-	-	-	-	-14,629	-14,629
<b>The end of the period, 30 Sep 2020</b>	<b>676</b>	<b>44,179</b>	<b>224</b>	<b>-20,555</b>	<b>-14,629</b>	<b>9,895</b>

TSEK	Share capital	Share premium reserve	Translation reserve	Retained earnings	Result for the financial year	Total equity
<b>The beginning of the year, 1 Jan 2020</b>	<b>502</b>	<b>18,568</b>	<b>1</b>	<b>-6,416</b>	<b>-14,139</b>	<b>-1,484</b>
Disposition of previous year's result	-	-	-	-14,139	14,139	-
New issuance	174	29,826	-	-	-	30,000
Issuance expenses	-	-4,465	-	-	-	-4,465
Issuance of warrants	-	250	-	-	-	250
Translation reserve	-	-	417	-	-	417
Result for the financial year	-	-	-	-	-18,348	-18,348
<b>The end of the year, 31 Dec 2020</b>	<b>676</b>	<b>44,179</b>	<b>418</b>	<b>-20,555</b>	<b>-18,348</b>	<b>6,370</b>



## Consolidated statement of cash flows

TSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Full year 2020
<b>Cash flow from operating activities</b>					
Operating profit	-6,061	-3,788	-13,875	-14,281	-17,785
Adjustment for non-cash items	128	117	362	342	460
Paid taxes	-	-	-2	-2	-2
Paid interest	-113	-	-163	-	-
<b>Cash flow from operating activities before changes in working capital</b>	<b>-6,046</b>	<b>-3,671</b>	<b>-13,678</b>	<b>-13,941</b>	<b>-17,327</b>
<b>Changes in working capital</b>					
Changes in operating receivables	-1,564	206	-4,136	245	48
Changes in operating payables	-562	552	-114	-1,542	-620
<b>Cash flow from operating activities</b>	<b>-8,172</b>	<b>-2,913</b>	<b>-17,928</b>	<b>-15,238</b>	<b>-17,899</b>
<b>Investing activities</b>					
Investment in intangible assets	-124	-43	-464	-460	-551
Investment in property, plant and equipment	-	-	-	-	-
Investment in financial items	-	-	-	-15	-15
<b>Cash flow from investing activities</b>	<b>-124</b>	<b>-43</b>	<b>-464</b>	<b>-475</b>	<b>-566</b>
<b>Financing activities</b>					
Shareholder's contribution	30,846	250	36,643	30,250	30,250
Issuance expenses	-2,208	-	-2,208	-2,247	-2,247
Prepaid issuance expenses	-	-	-	-	-359
Pre-issuance loans	-	-	-	-5,500	-5,500
Amortization	-750	-	-3,750	-	-
Borrowings	3,750	-	9,000	-	-
<b>Cash flow from financing activities</b>	<b>31,638</b>	<b>250</b>	<b>39,685</b>	<b>22,503</b>	<b>22,144</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>23,342</b>	<b>-2,706</b>	<b>21,293</b>	<b>6,790</b>	<b>3,679</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>2,869</b>	<b>10,737</b>	<b>4,913</b>	<b>1,248</b>	<b>1,248</b>
Currency effect in cash and cash equivalents	1	-2	6	-9	-14
<b>Cash and cash equivalents at the end of the period</b>	<b>26,212</b>	<b>8,029</b>	<b>26,212</b>	<b>8,029</b>	<b>4,913</b>



## Parent company's condensed financial statements

TSEK	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Full year 2020
Net sales	778	520	2,441	1,108	1,595
Other operating income	717	67	721	91	805
<b>Total income</b>	<b>1,495</b>	<b>587</b>	<b>3,162</b>	<b>1,199</b>	<b>2,400</b>
Cost of goods sold	-676	-406	-1,313	-882	-1,268
Other external expenses	-3,766	-2,686	-9,575	-10,833	-13,836
Personnel expenses	-1,333	-442	-2,532	-1,371	-1,823
Depreciation, amortization and impairment	-128	-117	-362	-343	-460
Other operating expenses	-32	-5	-64	-21	-25
<b>Operating profit (EBIT)</b>	<b>-4,440</b>	<b>-3,069</b>	<b>-10,684</b>	<b>-12,251</b>	<b>-15,012</b>
Net financial items	-118	0	-160	-102	-102
<b>Profit before tax (EBT)</b>	<b>-4,558</b>	<b>-3,069</b>	<b>-10,844</b>	<b>-12,353</b>	<b>-15,114</b>
<b>Net profit for the period</b>	<b>-4,558</b>	<b>-3,069</b>	<b>-10,844</b>	<b>-12,353</b>	<b>-15,114</b>

TSEK	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Assets</b>			
Intangible assets	1,559	1,173	1,225
Property, plant and equipment	727	1,037	960
Non-current financial assets	5,934	4,973	5,821
<b>Total non-current assets</b>	<b>8,220</b>	<b>7,183</b>	<b>8,006</b>
Inventory, etc.	2,823	418	492
Current receivables	5,924	745	1,105
Cash and cash equivalents	25,918	7,870	4,845
<b>Total current assets</b>	<b>34,665</b>	<b>9,033</b>	<b>6,442</b>
<b>Total assets</b>	<b>42,885</b>	<b>16,216</b>	<b>14,448</b>
<b>Equity and liabilities</b>			
Shareholder's equity	35,094	14,588	11,827
Non-current liabilities	324	-	-
Current liabilities	7,467	1,628	2,621
<b>Total equity and liabilities</b>	<b>42,885</b>	<b>16,216</b>	<b>14,448</b>



## Definitions and glossary

<b>In general</b>	All amounts in tables are stated in SEK thousands unless otherwise specified. Amounts in brackets refer to the corresponding period in the preceding year unless otherwise specified.	
<b>Definitions of indicators</b>	Veg of Lund's definitions of a number of alternative performance measures not defined or specified under BFNAR ("Alternative Performance Measures") are set out below. Veg of Lund has made the assessment that these alternative performance measures are used by some investors, securities analysts and other stakeholders to supplement other measures of performance and financial position. Unless otherwise specified, these alternative performance measures have not been subject to audit and are not to be considered separately or as an alternative to indicators calculated in accordance with BFNAR. These Alternative Performance Measures, as defined by Veg of Lund, are not to be compared with other indicators with similar names used by other companies. This is because these alternative performance measures are not always defined in the same way, and other companies may calculate them in a different way to Veg of Lund.	
<b>Margins</b>	<b>Definition/Calculation</b>	<b>Purpose</b>
Gross margin, %	Gross profit in relation to net sales.	Used to measure product profitability.
EBITDA margin, %	EBITDA in relation to net sales.	The company considers the EBITDA margin to be a useful indicator, together with increase of net sales, to monitor value creation.
EBIT margin, %	Operating profit in relation to net sales.	The company considers the operating margin to be a useful indicator, together with net sales growth, to monitor value creation.
Profit margin, %	Net profit for the period in relation to net sales.	Indicator that shows how much value accrues to shareholders in the company.
<b>Return</b>	<b>Definition/Calculation</b>	<b>Purpose</b>
Solidity, %	Equity in relation to total assets.	The company has chosen to present the indicator Solidity as it demonstrates the status of the company as a going concern.
<b>Data per share</b>	<b>Definition/Calculation</b>	<b>Purpose</b>
Number of shares	Number of shares outstanding at the end of the reporting period.	
Average number of shares	Weighted average of the number of shares outstanding during the period plus a weighted number of shares that would be added if all dilutive potential shares were converted to shares.	
Equity per share	Equity divided by the number of shares outstanding after dilution.	Measure that shows the owners' share of Veg of Lund's total net assets per share.
Earnings per share before and after dilution, SEK	Net profit for the period divided by the average number of shares outstanding before and after dilution.	
<b>Other definitions</b>	<b>Definition/Calculation</b>	<b>Purpose</b>
Net sales	The company's revenue from ordinary operations.	
EBITDA	Operating profit excluding depreciation and impairment losses of property, plant and equipment and intangible assets.	The company has chosen to include the indicator EBITDA as it demonstrates the underlying operating performance with the effect of depreciation removed, which, since depreciation refers to historical investments, results in a more comparable performance measure over time.
Operating profit (EBIT)	Operating profit before financial items.	
Net profit	Net profit or loss for the year.	
Balance sheet total	The total of all the company's assets.	
Cash flow from operating activities	Cash flow from operating activities, including change in working capital, before cash flow from investment and financing activities.	Cash flow from operating activities is used to measure the cash flow generated by the operations before investments and financing.
Average number of employees	Average number of employees in the company during the period.	



**Veg of Lund AB (publ)** is a scientific food company imbued with sustainability. The company has roots in research at Lund University and owns patented methods for developing new food categories in the fast-growing market for plant-based foods. Veg of Lund's climate-smart and tasty products are sold in Europe and Asia under the DUG® brand. The company's share is listed on Nasdaq First North Growth Market under the ticker VOLAB. Read more at [ir.vegoflund.se](http://ir.vegoflund.se). Eminova Fondkommission AB is the company's Certified Adviser and can be contacted via telephone: +46 8 684 211 10 or e-mail: [adviser@eminova.se](mailto:adviser@eminova.se).

### **Business concept**

Veg of Lund aims to develop and market palatable, healthy, and nutritious potato-based products.

### **Objectives**

Veg of Lund shall, over the coming years, establish itself as a well-known operator in the market for plant-based food, scale up preparations on the company's strategic markets, and expand the scope of the operations. It is the company's objective to launch a number of new products, including plant-based milk, cream, ice cream, yoghurt and soup alternatives, and a probiotic DUG®. Furthermore, the company's longer-term goal is to expand to additional geographies, primarily the United States, the United Kingdom and Asia, and initiate contacts with prospective customers and partners.

#### *Economic and financial objectives*

Veg of Lund's economic objective is to increase both domestic sales and exports of all of the company's products. Veg of Lund's economic objectives include that the company's plant-based milk product shall represent the largest individual share of the total sales.

The company's financial objective is to achieve a positive operating result by 2023, with net sales exceeding MSEK 300 in the same year.

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#### **For more information, please contact:**

Cecilia Lindwall, CEO.

Tel: +46 765 014 809

E-mail: [cecilia.lindwall@vegoflund.se](mailto:cecilia.lindwall@vegoflund.se)

Emma Källqvist, CFO.

Tel: +46 721 869 018

E-mail: [emma.kallqvist@vegoflund.se](mailto:emma.kallqvist@vegoflund.se)





For more information about our new delicious and creamy potato-based beverage, visit [dugdrinks.com](http://dugdrinks.com).