



## Expansion strategy moves to implementation phase in 2023

### July–September 2022

- Net sales amounted to TSEK 349 (610).
- Operating profit before depreciation and amortization (EBITDA) amounted to TSEK -5,143 (-5,933), and EBIT amounted to TSEK -5,195 (-6,061).
- Net profit amounted to TSEK -5,446 (-6,178).

### January–September 2022

- Net sales amounted to TSEK 1,873 (1,269).
- Operating profit before depreciation and amortization (EBITDA) amounted to TSEK -34,147 (-13,513), and EBIT amounted to TSEK -34,302 (-13,875).
- Net profit amounted to TSEK -34,628 (-14,035).

### Significant events July–September 2022

- The Board of Directors appointed Fredrik Carling as the new CEO of Veg of Lund. He took position on 19 September 2022.
- Member of the board Magnus Nordin stepped down from the Board of Directors of Veg of Lund at his own request.
- Veg of Lund carried out a directed issue of shares in order to convert bridge facility and resolved on allotment of shares due to one lender's exercise of warrants.
- CFO Emma Källqvist will leave her position as CFO of Veg of Lund in November.
- Veg of Lund signed a letter of intent for production and distribution in Southeast Asia.

### Significant events after the period

- Veg of Lund resolved on allotment of shares due to lenders' exercise of warrants.
- Veg of Lund launched DUG Smoothie in the Swedish market.
- The Board of Directors communicate decision to carry out a new issue of shares amounting to approx. MSEK 30.9 and gives notice of extraordinary general meeting

### Summary of the Group's indicators (see definitions on page 14)

TSEK	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
Net sales	349	610	1,873	1,269	2,573
Gross margin, %	30	21	19	24	26
EBITDA	-5,143	-5,933	-34,147	-13,513	-22,500
EBITDA margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Operating profit (EBIT)	-5,195	-6,061	-34,302	-13,875	-23,641
EBIT margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Net profit for the period	-5,446	-6,178	-34,628	-14,035	-23,754
Profit margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Basic and diluted earnings per share, SEK	-0.42	-0.54	-2.74	-1.28	-2.10
Solidity, %	-28	76	-28	76	75
Equity per share, SEK	-0.18	2.18	-0.18	2.18	1.60
Balance sheet total	9,121	34,791	9,121	34,791	25,971
Cash flow from operating activities	-6,164	-8,172	-26,348	-17,928	-31,484
Average number of employees	9	6	9	4	5

This information is such that Veg of Lund AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 8:58 a.m. CET on 9 November 2022.

### For more information, please contact:

Fredrik Carling, CEO.  
Tel: +46 703 121 942  
Email:  
fredrik.carling@vegoflund.se

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

## A word from the CEO

**It has been confirmed that Veg of Lund is in possession of research and patented product concepts that are commercially relevant on a global scale and in a rapidly growing market. Many players are fighting to secure a spot on the shop shelves, gain the industry's recognition, and catch the market's attention. Few have done as well as Veg of Lund. With the DUG® brand, we have attained retail listings on a broad scale and won the recognition of the industry through a string of awards and attention that few can rival.**

**Now, it is time to gradually convert this success into a performance that drives growth and brings the company towards profitability in the long term.**

### *The strategy leads in the right direction*

The updated strategic direction that the company has defined, which was recently communicated, will ensure the necessary flexibility for the company moving forward. Different markets and products will provide various opportunities that will require a range of business models to successfully reach consumers. We call this the Veg of Lund hybrid model.

The United Kingdom and Sweden will remain countries where we as an organization will seek to maintain a high degree of market proximity. Today, we are using a combination of our in-house organization and close external partners for the tactical implementation of the strategy. This allows us to gain a detailed understanding of the returns our choices in terms of positioning, distribution and communication are yielding. These insights give us a greater ability to ramp up our efforts with distribution and licensing partners in new markets more quickly and more efficiently. It is already clear that we will need to target, for example, our marketing spend more wisely to get the maximum leverage of the money invested.

The business model involving licensing of patents and know-how is the one most conducive to a global approach to expansion. The letter of intent recently signed with experienced regional operators in Thailand and Vietnam is a good example of how we relatively quickly and cost-efficiently can establish our products in markets which otherwise would be difficult to address in the near future. We are looking forward to a launch in these markets during 2023.

For markets closer to home, in particular in parts of Europe, we will apply a combination of the models we use in Sweden and in the United Kingdom, and licensing partnerships. This entails that Veg of Lund will be responsible for production, while national distributors handle the implementation at the retail level and with the food industry.

### *The continuous development of the patent and product portfolios is ongoing*

To continue to focus on our unique product solution is also an important strategic choice. Our strength is that we, like no other, understand how to best develop and produce various forms of food based on potato and rapeseed oil. All elements of our product and patent portfolios hinge on this fact, and it will remain our focus for the foreseeable future.

Over the course of the year, the DUG potato beverage has acquired a fanbase of consumers that appreciate it for its flavour, consistency and content. It is also clear that a significant number of the target population is left unimpressed. The experience of the product has not matched their expectations of the concept and the brand. As such, we are looking forward to bringing an updated recipe for all three variants (Original, Barista and Unsweetened) to market in January 2023. The outcome of this hard work conducted over the past six months is a significantly improved sensation when adding DUG to the coffee, with the cereal or in the cooking. Fewer added ingredients, a more milk-like appearance and flavour, and an even better marriage of flavours when put into coffee—without compromising the advantages that DUG has always had. Environmentally sustainable, free of the 14 most common allergens, and a source of omega-3 and folic acid, to name a few.



"Now in November, we have also launched DUG Smoothie in Sweden. The already highly regarded My Foodie line has been integrated into the DUG brand and meets the demand for a plant-based, non-allergenic snack with the lowest fructose content on the market. This is a position in which we are looking forward to establish ourselves, beginning in Sweden and later, in 2023, at the international level.

*Fredrik Carling,*  
Chief Executive Officer



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We will continue to add more product categories on an ongoing basis, including additional plant-based dairy products such as ice cream, where we are involved in discussions with commercial partners in relation to flavouring and commercial rollout. The well advanced plant-based meat project has moved on from the research phase and entered a product development phase, in collaboration with Scandi Standard. The response from those who have already worked with our product is positive. What has impressed most is the meat-like structure we have achieved, which many future competitors have had difficulty reaching.

#### *Turning promise into performance*

Since the DUG milk alternative was launched, it has been included in the ranges of leading grocery chains. Waitrose, Holland & Barret and OCADO, to mention a few in the United Kingdom. In Sweden, DUG is available from ICA, Hemköp and Mathem, among others.

All these chains share our view of the great potential of this concept. The spots on the shelves, the media attention and the curiosity of consumers were not converted into day-to-day sales to a sufficient degree. The performance during the third quarter 2022 is a sign of that.

The experiences of the past year now provide the breeding ground for converting our high expectations into future performance. The updated strategy is in place, as are the expansion and improvements to the existing product portfolio. The effort to complement the existing production closer to the European market is another key component that will fall into place in Q1 2023. In addition, we will strengthen the organization in strategically significant areas such as product development, international sales, and licensing partnerships.

#### *Gearing up for continued product development and implementation of strategy*

The rights issue announced today will provide us with the means to realize our plans and ambitions for the future. The organization will be strengthened in strategically important areas in order to implement the initiatives we have in market canvassing in existing and new markets—with existing DUG products as well as new and future products. This will enable us to achieve a 2023 appreciably different from 2022.

I personally am inspired by the challenge before us. Rarely do you have the privilege of managing the development of a company with such a significant potential. A company possessing so many of the prerequisites for success: a unique product concept, an organization with skilled and dedicated employees headed by an experienced Board of Directors. I am eager to put all these pieces together to continuously build the company and our performance going forward, quarter by quarter.

*Fredrik Carling,*  
CEO



## Financial overview

### Development of sales

#### *Third quarter 2022*

During the third quarter, Veg of Lund's net sales totaled TSEK 349 (610), a decrease of 43 percent.

### Operating expenses

#### *Other external expenses*

Other external expenses decreased to TSEK -3,762 (-5,413) during the quarter. The expenses mainly comprise sales costs and costs related to product development.

#### *Personnel expenses*

Personnel expenses for the quarter amounted to TSEK -1,992 (-1,333), due to a higher level of staffing.

#### *Depreciation/amortization*

Depreciation/amortization for the quarter amounted to TSEK -52 (-128), mostly attributable to amortization of intangible assets.

### Profit

#### *Operating profit (EBIT)*

Operating profit for the third quarter 2022 amounted to TSEK -5,195 (-6,061) as a result of retrenchment and prioritization of costs.

#### *Net financial items*

The financial profit for the quarter amounted to TSEK -251 (-117) and mainly comprised interest expenses.

#### *Net profit for the period*

Net profit for the quarter amounted to TSEK -5,446 (-6,178).

#### *Earnings per share*

Earnings per share for the quarter amounted to SEK -0.42 (-0.54).

### Cash flow, investments and financial position

#### *Cash flow*

Cash flow during the third quarter 2022 amounted to TSEK -1,069 (23,342). Cash flow from operating activities amounted to TSEK -6,164 (-8,172), which largely is attributable to the ongoing launch by way of marketing costs as well as costs related to product development, etc.

#### *Investments*

During the quarter, investments in intangible assets amounted to TSEK 71 (124), 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 decreased by TSEK 1,069 (23,342) during the quarter, to TSEK 2,759 (26,212).

#### *Capital position*

The Board of Directors has resolved upon a rights issue as of today. The rights issue is guaranteed to raise MSEK 21.6 pre cost of issue. This capital injection will enable the company to continue its journey of growth.

#### *Equity*

The group's total equity amounted to TSEK -2,538 (26,467) at the end of the quarter, and equity per share amounted to SEK -0.18 (2.18).



### 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.

#### Third quarter 2022

During the third quarter 2022, net sales decreased to TSEK 632 (778), of which TSEK 585 (248) represented intra-group sales. Net profit for the period amounted to TSEK -7,701 (-4,558). Investments in tangible and intangible fixed assets amounted to TSEK 71 (124).

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. There are 13,826,168 shares outstanding, corresponding to 13,826,168 votes.

As of 30 September 2022, Veg of Lund AB (publ) had 7,009 shareholders (7,626).

### Trading in the share

Total liquidity in the share during the third quarter of 2022 amounted to MSEK 8 (484). The number of transactions for the same period totaled 3,622 (50,232). The average volume per transaction increased to 308 (230) shares. The average daily turnover for the Veg of Lund share during the third quarter 2022 was 16,901 shares, at an average share price of SEK 7.60.

### Ownership structure on 30 September 2022

Name	Number of shares and votes	Share of capital and votes, %
Eva Tornberg through company	1,362,370	9.85%
Anders Färnqvist	1,169,998	8.46%
Einar Haugland through company	956,305	6.92%
Anders Hättmark through company	687,689	4.97%
Kenneth Eriksson	564,010	4.08%
Torbjörn Malmsjö	524,130	3.79%
Avanza Pension	363,929	2.63%
LU Holding	261,015	1.89%
Försäkringsaktiebolaget, Skandia	260,312	1.88%
Nordnet Pensionsförsäkring	217,672	1.57%
Other shareholders	7,458,738	53.95%
Total	13,826 168	100.0%

Source: Euroclear and Veg of Lund



## Other disclosures

### Employees

The average number of employees in the group amounted to 9 (6) during the quarter.

### Annual General Meeting 2023

The Annual General Meeting for the financial year 2022 will be held on Thursday, 11 May 2023.

### Nomination Committee for the 2023 AGM

The Nomination Committee for the Annual General Meeting 2023 has been established and consists of Kaj Söderström, representing Reosurf AB, Chairman of the Nomination Committee; Torbjörn Malmsjö, representing Anders Färnqvist and Anders Hättmark, representing Confidera Syd Aktiebolag.

### Upcoming publication dates

Year-end report 2022	16 February 2023
Interim Report January–March 2023	11 May 2023
Interim Report April–June 2023	16 August 2023

### Significant related-party transactions

During the third quarter 2022, the company's related-party transactions totaled TSEK 180 (180). All transactions were 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 21–22 of the company's annual report for 2021. 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 war in Ukraine*

The war in Ukraine has financial repercussions, mainly involving trade and global raw material prices. This affects Veg of Lund as well as all other food companies. The main implications for Veg of Lund are increased raw material prices, shortage of certain inputs, and longer delivery times, which may disrupt production. The company makes continuous assessments that will be presented in future reports and, where appropriate, in additional disclosures via press releases.

### Certified Adviser

Certified adviser for the Company is Mangold Fondkommission AB, telephone: +46 8 5030 15 50, email: ca@mangold.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 2022

*Håkan K Pålsson*  
Chairman of the Board

*Anders Hättmark*  
Director

*Linda Neckmar*  
Director

*Eva Tornberg*  
Director

*Roger Johansson*  
Director

*Fredrik Carling*  
Chief Executive Officer

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



## Consolidated income statement

TSEK	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
Net sales	349	610	1,873	1,269	2,573
Other operating income	516	717	1,118	1,573	1,922
<b>Total income</b>	<b>865</b>	<b>1,327</b>	<b>2,991</b>	<b>2,842</b>	<b>4,495</b>
<i>Operating expenses</i>					
Cost of goods sold	-244	-482	-1,524	-962	-1,895
Other external expenses	-3,762	-5,413	-28,964	-12,797	-20,062
Personnel expenses	-1,992	-1,333	-6,540	-2,532	-4,909
Depreciation, amortization and impairment	-52	-128	-155	-362	-1,141
Other operating expenses	-10	-32	-110	-64	-129
<b>Operating profit (EBIT)</b>	<b>-5,195</b>	<b>-6,061</b>	<b>-34,302</b>	<b>-13,875</b>	<b>-23,641</b>
Interest income and similar items	117	1	614	21	174
Interest expense and similar items	-368	-118	-940	-179	-285
<b>Result from financial items</b>	<b>-251</b>	<b>-117</b>	<b>-326</b>	<b>-158</b>	<b>-111</b>
<b>Profit before tax (EBT)</b>	<b>-5,446</b>	<b>-6,178</b>	<b>-34,628</b>	<b>-14,033</b>	<b>-23,752</b>
Taxes	-	-	-	-2	-2
<b>Net profit for the period</b>	<b>-5,446</b>	<b>-6,178</b>	<b>-34,628</b>	<b>-14,035</b>	<b>-23,754</b>
Number of shares	13,826,168	12,146,256	13,826,168	12,146,256	12,224,336
Average number of shares	12,903,111	11,529,017	12,654,364	10,974,198	11,288,232
Basic and diluted earnings per share, SEK	-0.42	-0.54	-2.74	-1.28	-2.10

Profit for the period and total comprehensive income are fully attributable to the shareholders of the parent company. The company has three warrant programmes, 2020/2023, 2021/2024, and 2022 I. More details on the first two programmes are given in the Annual Report for the financial year 2021.

### *Series 2022 I warrants*

To ensure that the current financing needs are met, the company has during the second quarter, on 16 June 2022, entered into a bridge loan facility agreement, according to which the lenders have committed to, during a period of 12 months, provide a bridge of up to MSEK 6.

In conjunction with the raising of the bridge financing, the Board of Directors has, pursuant to the authorization granted by the extraordinary general meeting on 11 May 2022, resolved to issue 300,000 warrants free of charge to the lenders.

Each warrant entitles the holder to subscribe for one share in the company during the period between the registration with the Swedish Companies Registration Office and 30 November 2022. The subscription price per share shall correspond to 60 percent of the volume-weighted average share price for the company during the period of ten trading days that ends on the day prior to the first day of the exercise period, but not less than the quota value of the share. 100,000 of these warrants have been exercised, as announced in a press release on 25 August 2022 and reflected by the number of shares on 30 September 2022.



## Consolidated statement of financial position

TSEK	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>ASSETS</b>			
<b>Intangible assets</b>			
Capitalized expenditure for development	66	198	165
Patents, trademarks and licences	1,745	1,361	1,450
<b>Total intangible assets</b>	<b>1,811</b>	<b>1,559</b>	<b>1,615</b>
<b>Property, plant and equipment</b>			
Equipment, tools, fixtures and fittings	25	727	29
<b>Total property, plant and equipment</b>	<b>25</b>	<b>727</b>	<b>29</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>1,851</b>	<b>2,301</b>	<b>1,659</b>
<b>Inventory, etc.</b>			
Finished trade goods	1,519	1,586	5,232
Raw materials	1,382	1,473	1,550
<b>Total inventory, etc.</b>	<b>2,901</b>	<b>3,059</b>	<b>6,782</b>
<b>Current receivables</b>			
Trade receivables	241	596	2,349
Other receivables	427	1,122	1,145
Prepaid expenses and accrued income	942	1,501	863
<b>Total current receivables</b>	<b>1,610</b>	<b>3,219</b>	<b>4,357</b>
<b>Cash and cash equivalents</b>	<b>2,759</b>	<b>26,212</b>	<b>13,173</b>
<b>Total current assets</b>	<b>7,270</b>	<b>32,490</b>	<b>24,312</b>
<b>TOTAL ASSETS</b>	<b>9,121</b>	<b>34,791</b>	<b>25,971</b>



TSEK	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Share capital	885	777	782
Share premium reserve	92,931	78,189	80,392
Translation differences	246	439	327
Retained earnings	-61,972	-38,903	-38,218
Net profit for the period	-34,628	-14,035	-23,754
<b>Total equity</b>	<b>-2,538</b>	<b>26,467</b>	<b>19,529</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other non-current liabilities	-	324	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>324</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities	6,622	-	-
Trade payables	2,966	1,565	1,455
Other current liabilities	391	5,448	3,274
Accrued expenses and prepaid income	1,680	987	1,713
<b>Total current liabilities</b>	<b>11,659</b>	<b>8,000</b>	<b>6,442</b>
<b>Total liabilities</b>	<b>11,659</b>	<b>8,324</b>	<b>6,442</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,121</b>	<b>34,791</b>	<b>25,971</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 2022</b>	<b>782</b>	<b>80,392</b>	<b>327</b>	<b>-38,218</b>	<b>-23,754</b>	<b>19,529</b>
Disposition of previous year's result	-	-	-	-23,754	23,754	-
New issuance	97	12,022	-	-	-	12,119
Issuance of warrants	6	517	-	-	-	523
Warrant premiums	-	-	-	-	-	-
Translation differences	-	-	-81	-	-	-81
Net profit for the period	-	-	-	-	-34,628	-34,628
<b>The end of the period, 30 Sep 2022</b>	<b>885</b>	<b>92,931</b>	<b>246</b>	<b>-61,972</b>	<b>-34,628</b>	<b>-2,538</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 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 expenses	19	2,414	-	-	-	2,433
Translation differences	-	-	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 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	87	33,799	-	-	-	33,886
Issuance of warrants	19	2,414	-	-	-	2,433
Warrant premiums	-	-	-	685	-	685
Translation differences	-	-	-91	-	-	-91
Net profit for the period	-	-	-	-	-23,754	-23,754
<b>The end of the period, 31 Dec 2021</b>	<b>782</b>	<b>80,392</b>	<b>327</b>	<b>-38,218</b>	<b>-23,754</b>	<b>19,529</b>



## Consolidated statement of cash flows

TSEK	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
<b>Cash flow from operating activities</b>					
Operating profit	-5,195	-6,061	-34,302	-13,875	-23,641
Adjustment for non-cash items	52	128	155	362	1,141
Paid taxes	-	-	-	-2	-2
Paid interest	-299	-113	-408	-163	-243
<b>Cash flow from operating activities before changes in working capital</b>	<b>-5,442</b>	<b>-6,046</b>	<b>-34,555</b>	<b>-13,678</b>	<b>-22,744</b>
<b>Changes in working capital</b>					
Changes in operating receivables	3,040	-1,564	6,704	-4,136	-8,957
Changes in operating payables	-3,762	-562	1,504	-114	217
<b>Cash flow from operating activities</b>	<b>-6,164</b>	<b>-8,172</b>	<b>-26,348</b>	<b>-17,928</b>	<b>-31,484</b>
<b>Investing activities</b>					
Investment in intangible assets	-71	-124	-347	-464	-570
Investment in property, plant and equipment	-	-	-	-	-30
Investment in financial assets	-	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-71</b>	<b>-124</b>	<b>-347</b>	<b>-464</b>	<b>-600</b>
<b>Financing activities</b>					
Issues and other contributed capital	6,581	30,846	13,116	36,643	38,934
Issuance expenses	-37	-2,208	-474	-2,208	-2,290
Warrants	-	-	-	-	685
Amortization	-6,523	-750	-9,523	-3,750	-6,000
Borrowings	5,145	3,750	13,145	9,000	9,000
<b>Cash flow from financing activities</b>	<b>5,166</b>	<b>31,638</b>	<b>16,264</b>	<b>39,685</b>	<b>40,328</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-1,069</b>	<b>23,342</b>	<b>-10,431</b>	<b>21,293</b>	<b>8,244</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>3,819</b>	<b>2,869</b>	<b>13,173</b>	<b>4,913</b>	<b>4,913</b>
Currency effect in cash and cash equivalents	9	1	16	6	16
<b>Cash and cash equivalents at the end of the period</b>	<b>2,759</b>	<b>26,212</b>	<b>2,759</b>	<b>26,212</b>	<b>13,173</b>

## Parent company's condensed financial statements

TSEK	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
Net sales	632	778	3,609	2,441	4,481
Other operating income	516	717	1,119	721	1,921
<b>Total income</b>	<b>1,148</b>	<b>1,495</b>	<b>4,728</b>	<b>3,162</b>	<b>6,402</b>
Cost of goods sold	-618	-676	-3,568	-1,313	-4,141
Other external expenses	-6,086	-3,766	-18,984	-9,575	-15,487
Personnel expenses	-1,792	-1,333	-6,116	-2,532	-4,909
Depreciation, amortization and impairment	-52	-128	-155	-362	-1,141
Other operating expenses	-10	-32	-110	-64	-128
<b>Operating profit (EBIT)</b>	<b>-7,410</b>	<b>-4,440</b>	<b>-24,205</b>	<b>-10,684</b>	<b>-19,404</b>
Net financial items	-291	-118	-402	-160	-118
<b>Profit before tax (EBT)</b>	<b>-7,701</b>	<b>-4,558</b>	<b>-24,607</b>	<b>-10,844</b>	<b>-19,522</b>
<b>Net profit for the period</b>	<b>-7,701</b>	<b>-4,558</b>	<b>-24,607</b>	<b>-10,844</b>	<b>-19,522</b>

TSEK	30 Sep 2022	30 Sep 2021	31 Dec 2021
<b>Assets</b>			
Intangible assets	1,811	1,559	1,615
Property, plant and equipment	25	727	29
Non-current financial assets	20,995	5,934	12,673
<b>Total non-current assets</b>	<b>22,831</b>	<b>8,220</b>	<b>14,317</b>
Inventory, etc.	1,943	2,823	4,642
Current receivables	1,021	5,924	3,112
Cash and cash equivalents	1,343	25,918	13,028
<b>Total current assets</b>	<b>4,307</b>	<b>34,665</b>	<b>20,782</b>
<b>Total assets</b>	<b>27,138</b>	<b>42,885</b>	<b>35,099</b>

<b>Equity and liabilities</b>			
Shareholder's equity	17,343	35,094	29,309
Non-current liabilities	-	324	-
Current liabilities	9,795	7,467	5,790
<b>Total equity and liabilities</b>	<b>27,138</b>	<b>42,885</b>	<b>35,099</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.
Basic and diluted earnings per share, 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 investing 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)** develops unique plant-based foods meeting consumers' demands for taste and 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).

Mangold Fondkommission AB is the company's Certified Adviser and can be contacted via telephone: +46 8 5030 15 50 or e-mail: [ca@mangold.se](mailto:ca@mangold.se).

### **Business concept**

Based on knowledge, unique innovations and own patents, Veg of Lund aims to develop and market palatable, locally produced plant-based food, mainly derived from potatoes.

### **Objectives**

#### *Economic and financial objectives*

Veg of Lund's economic objective is to expand into new markets at a fast pace by means of our hybrid model.

The company's financial objective is to achieve net sales of MSEK 420 with a positive operating result by 2025.

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

Fredrik Carling, Chief Executive Officer.

Tel: +46 703 121 942

E-mail: [fredrik.carling@vegoflund.se](mailto:fredrik.carling@vegoflund.se)



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