

Increased sales at lower cost

April–June 2023

- Net sales amounted to TSEK 1,4580 (1 070).
- Operating profit before depreciation and amortization (EBITDA) amounted to TSEK -7,824 (-11,291), and EBIT amounted to TSEK -7,842 (-11,343).
- Net profit amounted to TSEK -8,069 (-11,183).

January–June 2023

- Net sales amounted to TSEK 3,281 (1 524).
- Operating profit before depreciation and amortization (EBITDA) amounted to TSEK -16,102 (-29,004), and EBIT amounted to TSEK -16,173 (-29,107).
- Net profit amounted to TSEK -16,687 (-29,182).

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

TSEK	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Net sales	1,458	1,070	3,281	1,524	2,541
Gross margin, %	19	15	15	16	2
EBITDA	-7,823	-11,291	-16,102	-29,004	-42,580
EBITDA margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Operating profit (EBIT)	-7,843	-11,343	-16,173	-29,107	-42,787
EBIT margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Net profit for the period	-8,070	-11,183	-16,687	-29,182	-45,279
Profit margin, %	Neg.	Neg.	Neg.	Neg.	Neg.
Basic and diluted earnings per share, SEK	-0.33	-2.33	-0.68	-0.87	-3.41
Solidity, %	-101	-28	-101	-28	35
Equity per share, SEK	-0.33	-0.28	-0.33	-0.28	0.26
Balance sheet total	8,574	13,202	8,574	13,202	18,071
Cash flow from operating activities	-7,104	-10,765	-15,491	-20,183	-33,677
Average number of employees	7	10	7	9	9

Significant events April–June 2023

- Salling Group in Denmark launches DUG in 101 Fotex and Bilka stores during May.
- Veg of Lund takes up loans of MSEK 7 with conversion options from existing shareholders and board member Eva Tornberg.
- Veg of Lund receives a Swedish Patent Protecting the company's plant-based ice cream.
- Veg of Lund recruits Emil Bendroth as new CFO.
- Veg of Lund receives a Canadian Patent Protecting the company's plant-based potato drink.
- The Annual General Meeting of Veg of Lund resolved, in accordance with the Nomination Committee's proposal, on re-election of Anders Hättmark, Eva Tornberg, Rolf Bjerndell and Anders Gustafsson and election of Johan Möllerström as board members. Johan Möllerström was elected as the chairman of the Board of Directors. The AGM re-elected the audit firm KPMG AB as auditor.
- One of the lenders from the SEK 7 million loan, raised in the quarter, chose to convert the loan into shares. The increased number of shares in the company by 270,945 shares.

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 14 August 2023.

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This report, as well as other financial information and press releases, is available on the company's website, www.ir.vegoflund.se

**Significant events after the period**

- Veg of Lund has signed a Letter of Intent (“LOI”) with Haofood Shanghai Food Technology Co., Ltd. The companies will cooperate with the common goal of selling, marketing and distributing Veg of Lund’s products under the DUG® brand in China and select other markets in the region during the first quarter 2024.
- Veg of Lund Enter Poland with Distributor
- The BoD of Veg of Lund Resolves on new issue of shares with pre-emptive rights for the shareholders of MSEK 23.7 and obtains and bridge facility of MSEK 3.3
- Veg of Lund has signed a Letter of Intent (“LOI”) with Romagnoli F.lli S.p.A. The companies will cooperate with the common goal of selling, marketing and distributing Veg of Lund’s products under the DUG® brand in Italy.
- Veg of Lund signs distribution agreements with Synergy Trading Corporation for the Japanese market.



A word from the CEO

The trend from quarter one continues into quarter two. Higher netsales with lower cost compared to the same quarter last year. Halfway through 2023, we have already surpassed the turnover for the full year of 2022. Compared to the first half of 2022, netsales increased by +115% while the cost of operating decreased by -44%. Cost-effective expansion continues to be the watchword in our work to take Veg of Lund out into the world.

Market by market. The expansion continuous at good pace.

In April, DUG potato drink was launching in 486 Migros stores in Switzerland and last quarter netsales included their initial order to begin the launch. During the second quarter, they continuously ordered all three versions. Sales in stores have shown to be above all our Barista and Unsweetened variants have performed well and going forward we will focus the range together, which was expected and part of the strategy and discussions.

During the month of May Danish Bilka and Fötex also launched DUG potato drink in 101 stores and discussions are now underway regarding possible expansion to Sallings group third retail concept Netto which we hope will take place during the fall and give our brand additional cost-effective exposure to consumers in Denmark.

Germany is a future important market for us and during the spring we, together with our German distributor, started several discussions with leading chains that are positive and although these processes take longer we hope to make our products available in the German market during fall. We clearly notice, via social media channels, consumer interest which is motivating.

In addition to the above, we are past the first step in a number of other markets. In Europe we will launch, through our contracted distributor in Poland during the third quarter. Italy and Norway are other markets where we are in advanced discussions with potential distributor partners. In several other markets in Europe initial distributor discussions have been initiated. We look forward updating you on progress and agreements in the coming months.

The focus we apply in Sweden and England has proven to make sense and will continue for the foreseeable future. The launch of a third smoothie flavour in Sweden has gone well and DUG Mango is at the leader of our flavours in sales through the approx. 150 stores we are established in. In England, we continue to work on expansion with our existing customers in the food industry while for the first time in a long time we recently carried out marketing activities to attract new customers. The shift from 10 liter format to 20 liter format packaging that we made during the quarter will facilitate this while improving our gross margin.

It has turned out that the news of our imminent launch in Japan has been an important message for other parts of Asia and we have now established the intention to launch in China with selected distributor. At the same time our long gone discussion with potential license partner in Thailand continues. The next steps for our partner in Thailand is to conduct consumer market studies to find the right position locally for launch. Asia is a key market for us and in addition to the markets mentioned above, early discussions are underway in a handful of others.

We can summarize that all three business models are in play. Direct, via distributors and via licensing. We have already launched in additional markets during the quarter and have several others in the process of launching in the autumn. Internationalization and commercialization is under way.



More for less is key.

At the same time we expand internationally and with our product portfolio, we keep a watchful eye on our cost. We can already see that it is possible to grow net sales without growing cost. During the quarter we generate +36% net sales growth while cost decreased by -32%. That, together with continuously improving gross margin, is the key to profitability by 2025, which is our goal. During the second quarter 2023 the gross margin amounts to 19% which compared to the first quarter's 12% is a significant improvement.

Continuous focus on expansion of the product portfolio will ensure future relevance.

There is no doubt that here and now our potato drink and to some extent potato smoothie are the engines for growth. That is how it will be for the foreseeable future, and that is likely to be enough for significant growth. In the long-term, we need to supplement these products with more, and therefore ongoing work is underway to expand the product and the patent portfolio. During the quarter we strengthened the patent portfolio further with an approved patent for potato-based ice cream in Sweden and an additional patent for the potato drink, now in Canada. At the same time, some of the most exciting commercial discussions are taking place with regards to our meat alternative. The start of sales of the meat alternative is too early to update about, but the most likely approach will be through our license model when it happens.

Financial resources secured for continuous expansion.

We recently informed about the planned rights issue of approx. 24 MSEK. Guaranteed at the 75%, it gives energy to continue our work and gives confidence in various discussions we now are having. The commercial market believes in us and this is backed up by confidence from the financial market. It motivates and inspires us at Veg of Lund to continue working hard towards succeeding in taking our innovative and unique concept to become a natural part of food consumption worldwide.

Fredrik Carling
CEO



Financial overview

Development of sales

Second quarter 2023

During the second quarter, Veg of Lund's net sales totaled TSEK 1,458 (1 070), an increase of 36% percent. The increased sales is an effect of sales to new markets, as Migros in Switzerland compared to last year.

Operating expenses

Other external expenses

Other external expenses amounted to TSEK -5,695 (-9,247) for the second quarter. The expenses mostly comprise sales and marketing costs of TSEK -2,973.

Personnel expenses

Personnel expenses for the second quarter amounted to TSEK -2,408 (-2,674).

Depreciation/amortization

Depreciation/amortization for the second quarter amounted to TSEK -19 (-52), mostly attributable to amortization of intangible assets.

Profit

Operating profit (EBIT)

Operating profit for the second quarter 2023 amounted to TSEK -7,843 (-11,343) as a result of retrenchment and prioritization of costs.

Net financial items

The financial profit for the second quarter amounted to TSEK -227 (-160) and mainly comprised interest related to bridge loans and convertible bonds.

Net profit for the period

Net profit for the second quarter amounted to TSEK -8,070 (-11,183).

Earnings per share

Earnings per share for the second quarter amounted to SEK -0.33 (-0.87).

Cash flow, investments and financial position

Cash flow

Cash flow during the second quarter 2023 amounted to TSEK 1,532 (-2,918). Cash flow from operating activities amounted to TSEK -7,104 (-10,765).

Investments

During the second quarter, investments in intangible assets amounted to TSEK 38 (165), relating to the company's patent application processes. No investments in property, plant and equipment were made during the quarter. No investments in financial fixed assets were made during the year (—).

Change in cash and cash equivalents

Cash and cash equivalents increased by TSEK 1,532 (-2,918) during the quarter, to TSEK 3,150 (3,819).

Capital position

After end of quarter The Board of Directors of Veg of Lund AB (publ) with support of the authorisation granted by the Annual General Meeting held on 14 June 2023 resolved on an issue of units consisting of shares of approximately MSEK 23.7 before issue costs (the "Rights Issue") with subscription period 15 August 2023 - 29 August 2023. In connection with the Rights Issue, the Company has received subscription commitments of approximately MSEK 4.8 and underwriting commitments of approximately MSEK 13, corresponding to a total of approximately 75 percent of the Rights Issue. The issue proceeds from the Rights Issue are primarily intended to be used for continued international expansion, financing other operational costs and repayment of loans. Veg of Lund has on this day also obtained bridge loans of



approximately MSEK 3.3 from the Chairman of the Board Johan Möllerström and one current shareholder to finance the Company's operations until the Rights Issue has been completed.

The Board of Directors continues to actively pursue and evaluate various financing options to ensure the long-term financing and optimal capital structure of the company.

Equity

The group's total equity amounted to TSEK -8,639 (-3,631) at the end of the quarter, and equity per share amounted to SEK -0.33 (-0.28). The change is attributable to the loss for the year.

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.

Second quarter 2023

During the first quarter 2023, net sales decreased to TSEK 1,058 (1,670), of which TSEK 0 (1,439) represented intra-group sales. Net profit for the period amounted to TSEK -5,279 (-6,876). Investments in tangible and intangible fixed assets amounted to TSEK 38 (165).

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 25,795,321 shares outstanding, corresponding to 25,795,321 votes. The number of warrants outstanding amounts to 576,920.

For the period January–June 2023, the average number of shares amounted to 24,636,106. The diluted number of shares as of 30 June was 25,213,026.

As of 30 June 2023, Veg of Lund AB (publ) had 6,914 registered shareholders (7,181).

Trading in the share

Total liquidity in the share during the second quarter of 2023 amounted to MSEK 8,9 (11,4). The number of transactions for the same period totaled 4,374 (4,254). The average volume per transaction increased to 1,074 (245) shares. The average daily turnover for the Veg of Lund share during the second quarter 2023 was 79,600 shares, at an average share price of SEK 1.86.

Ownership structure on 30 June 2023

Name	Number of shares and votes	Share of capital and votes, %
Einar Haugland plus through company	2,202,322	8.54%
Anders Färnqvist	2,000,000	7.75%
Eva Tornberg through company	1,472,006	5.71%
Torbjörn Malmsjö	1,036,264	4.02%
Avanza Pension	907,210	3.52%
Anders Hättmark through company	801,329	3.11%
Kenneth Eriksson	800,000	3.10%
Nordnet Pensionsförsäkring	366,248	1.42%
Jan Emilsson	278,299	1.08%
SWEDBANK FÖRSÄKRING	271,651	1.05%
Other shareholders	15,659,992	60.71%
Total	25 795 321	100.00%

Source: Euroclear and Veg of Lund



Certified adviser as of 1 January 2022 is Mangold Fondkommission AB,
telephone: +46 8 5030 15 50, email: ca@mangold.se



Other disclosures

Employees

The average number of employees in the group amounted to 7 (10) during the quarter.

Annual General Meeting 2023

Veg of Lund's Annual General Meeting was held on 14 June 2023. As members of the board, Anders Hättmark, Rolf Bjerndell, Eva Tornberg, Anders Gustafsson were re-elected and Johan Möllerström newly elected. As Chairman of the Board, Johan Möller was newly elected. The general meeting further resolved to re-elect KPMG AB as the company's auditors for the period up to the Annual General Meeting 2024.

Dividend

The general meeting resolved in accordance with the Board of Directors' proposal that no dividend be paid for the financial year 2022 (-).

Dividend policy

Veg of Lund has not adopted a dividend policy and has not resolved to pay any dividend for the financial year 2022. The Board of Directors of the company has currently no intention to propose any dividend. Any future dividends will be decided by shareholders in connection with general meetings, and will be based, inter alia, on the company's profitability, development and/or financial position.

Upcoming publication dates

Interim report July–September 2023

9 November 2023

Year-end report 2023

15 February 2024

Significant related-party transactions

During the second quarter 2023, the company's related-party transactions totaled TSEK 333 (336). 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 page 29 of the company's annual report for 2022. 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.

Lund, Sweden, 14 August 2023

Johan Möllerström
Chairman of the Board

Anders Gustafsson
Director

Anders Hättmark
Director

Rolf Bjerndell
Director

Eva Tornberg
Director

Fredrik Carling
Chief Executive Officer

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



Consolidated income statement

TSEK	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Net sales	1,458	1,070	3,281	1,524	2,541
Other operating income	77	513	138	601	1,638
Total income	1,535	1,583	3,419	2,126	4,179
<i>Operating expenses</i>					
Cost of goods sold	-1,188	-910	-2,786	-1,280	-2,500
Other external expenses	-5,695	-9,247	-12,390	-25,202	-35,524
Personnel expenses	-2,408	-2,674	-4,227	-4,548	-8,609
Depreciation, amortization and impairment	-19	-52	-71	-103	-207
Other operating expenses	-68	-43	-118	-100	-126
Operating profit (EBIT)	-7,843	-11,343	-16,173	-29,107	-42,787
Interest income and similar items	260	228	312	497	630
Interest expense and similar items	-487	-68	-826	-572	-3,122
Result from financial items	-227	160	-514	-75	-2,492
Profit before tax (EBT)	-8,070	-11,183	-16,687	-29,182	-45,279
Taxes		-	-	-	-
Net profit for the period	-8,070	-11,183	-16,687	-29,182	-45,279
Number of shares	25,795,321	12,815,201	25,795,321	12,815,201	24,617,624
Average number of shares	24,654,385	12,815,201	24,636,106	12,527,930	13,293,494
Basic and diluted earnings per share, SEK	-0.33	-0.87	-0.68	-2.33	-3.41

Profit for the period and total comprehensive income are fully attributable to the shareholders of the parent company.

The company has three warrant programs, 2020/2023, 2021/2024, and 2023/2026. More details on the first two programs are provided in the Annual Report for the financial year 2022.

Series 2023/2026 – to certain board members

The incentive program includes three of the Board members who were elected at Veg of Lund's AGM, Johan Möllerström, Rolf Bjerndell and Anders Gustafsson. The incentive program entails that participants are offered to subscribe for warrants at market value calculated according to Black-Scholes valuation formula. After end of period all three have signed the warrants agreement and paid for their warrants to the company.

Each warrant shall entitle the holder to subscribe for one new share in the Company, during the period from and including 15 June 2026 to and including 15 July 2026, at an exercise price corresponding to 375 percent of the volume weighted average price of the Company's share during the period of ten trading days commencing on the day after the AGM 2023, however, not less than the quota value of the Company's share. The determined subscription price per share after above calculation base was set to SEK 7.60 and price per warrant SEK 0.09.



Consolidated statement of financial position

TSEK	30 June 2023	30 June 2022	31 Dec 2022
ASSETS			
Intangible assets			
Capitalized expenditure for development	0	99	33
Patents, trademarks and licences	1,876	1,691	1,709
Total intangible assets	1,876	1,790	1,742
Property, plant and equipment			
Equipment, tools, fixtures and fittings	20	26	23
Total property, plant and equipment	20	26	23
Non-current financial assets			
Non-current financial receivables	15	15	15
Total non-current financial assets	15	15	15
Total non-current assets	1,911	1,831	1,780
Inventory, etc.			
Finished trade goods	580	2,017	1,128
Raw materials	823	1,350	1,441
Advances for goods and services	171	-	-
Total inventory, etc.	1,574	3,367	2,569
Current receivables			
Trade receivables	484	1,871	342
Other receivables	668	899	4,405
Prepaid expenses and accrued income	787	1,415	698
Total current receivables	1,939	4,185	5,445
Cash and cash equivalents	3,150	3,819	8,277
Total current assets	6,663	11,371	16,291
TOTAL ASSETS	8,574	13,202	18,071



TSEK	30 June 2023	30 June 2022	31 Dec 2022
EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital	1,651	820	1,576
Other contributed capital	113,802	86,702	112,207
Other equity	-124,092	-91,153	-107,413
Total equity	-8,639	-3,631	6,370
LIABILITIES			
Current liabilities			
Financial liabilities	10,902	8,000	3,847
Trade payables	3,799	4,156	4,100
Other current liabilities	488	586	423
Accrued expenses and prepaid income	2,084	4,091	3,331
Total current liabilities	17,213	16,833	11,701
Total liabilities	17,213	16,833	11,701
TOTAL EQUITY AND LIABILITIES	8,574	13,202	18,071



Consolidated changes in equity

TSEK	Share capital	Other contributed capital	Other equity including net profit for the year	Total equity
The beginning of the period, 1 Jan 2023	1,576	112,207	-107,413	6,370
New issuance	75	1,844	-	1,919
Convertible bonds issued	-	-	-	-
Exercise of warrants	-	-	-	-
Issuance of warrants	-	-	-	-
Translation differences	-	-249	-8	-241
Net profit for the period			-16,687	-16,687
The end of the period, 30 June 2023	1,576	113,082	-124,092	-8,639

TSEK	Share capital	Other contributed capital	Other equity including net profit for the year	Total equity
The beginning of the period, 1 Jan 2022	782	80,642	-61,985	19,529
New issuance	38	6,060	-	6,098
Convertible bonds issued	-	-	-	-
Exercise of warrants	-	-	-	-
Issuance of warrants	-	-	-	-
Translation differences	-	-	-76	-76
Net profit for the period			-29,182	-29,182
The end of the period, 30 June 2022	820	86,702	-91,153	-3,631

TSEK	Share capital	Other contributed capital	Other equity including net profit for the year	Total equity
The beginning of the period, 1 Jan 2022	782	80,642	-61,895	19,529
New issuance	775	22,215	-	22,990
Convertible bonds issued	-	7,015	-	7,015
Exercise of warrants	19	1,148	-	1,167
Issuance of warrants	-	1,187	-	1,187
Translation differences	-	-	-239	-239
Net profit for the period	-	-	-45,279	-45,279
The end of the period, 31 Dec 2022	1,576	112,207	-107,413	6,370

Consolidated statement of cash flows

TSEK	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Cash flow from operating activities					
Operating profit	-7,842	-11,343	-16,173	-29,107	-42,787
Adjustment for non-cash items	19	52	71	103	378
Paid taxes	-14	-	-24	-	-
Paid interest	-484	-68	-774	-109	-838
Cash flow from operating activities before changes in working capital	-8,322	-11,359	-16,900	-29,113	-43,247
Changes in working capital					
Changes in operating receivables	1,493	-1,051	1,258	3,664	6,591
Changes in operating payables	-276	1,645	152	5,266	2,979
Cash flow from operating activities	-7,104	-10,765	-15,491	-20,183	-33,677
Investing activities					
Investment in intangible assets	-38	-165	-201	-276	-499
Investment in property, plant and equipment	-	-	-	-	-
Investment in financial assets	-	-	-	-	-
Cash flow from investing activities	-38	-165	-201	-276	-499
Financing activities					
Issues and other contributed capital	2,507	-	5,876	6,535	20,570
Issuance expenses	-402	-	-1,921	-437	-3,871
Warrants	-	-	-	-	1,167
Amortization	--465	-	-465	-3,000	-7,000
Borrowings	7,035	8,000	7,035	8,000	18,380
Cash flow from financing activities	8,675	8,000	10,525	11,098	29,246
CASH FLOW FOR THE PERIOD	1,532	-2,930	-5,166	-9,361	-4,930
Cash and cash equivalents at beginning of the period	1,587	6,737	8,277	13,173	13,173
Currency effect in cash and cash equivalents	31	12	39	7	34
Cash and cash equivalents at the end of the period	3,150	3,819	3,150	3,819	8,277

Parent company's condensed financial statements

TSEK	Q2 2023	Q2 2022	H1 2023	H1 2022	Full year 2022
Net sales	1,058	1,670	2,527	2,978	4,725
Other operating income	76	512	138	602	1,638
Total income	1,135	2,182	2,665	3,580	6,363
Cost of goods sold	-772	-1,635	-2,021	-2,951	-4,642
Other external expenses	-3,732	-4,829	-8,036	-12,898	-23,780
Personnel expenses	-2,273	-2,479	-3,865	-4,324	-7,980
Depreciation, amortization and impairment	-19	-52	-71	-103	-207
Other operating expenses	-68	-43	-118	-99	-128
Operating profit (EBIT)	-5,729	-6,856	-11,445	-16,795	-30,370
Net financial items	-243	121	-528	-111	-20,106
Profit before tax (EBT)	-5,972	-6,735	-11,973	-16,906	-50,476
Net profit for the period	-5,972	-6,735	-11,973	-16,906	-50,476

TSEK	30 June 2022	30 June 2022	31 Dec 2022
Assets			
Intangible assets	1,876	1,790	1,742
Property, plant and equipment	20	26	23
Non-current financial assets	10,648	21,156	5,806
Total non-current assets	12,544	22,973	7,571
Inventory, etc.	1,112	2,170	1,505
Current receivables	996	2,365	4,564
Cash and cash equivalents	3,034	2,563	7,570
Total current assets	5,141	7,098	13,639
Total assets	17,685	30,070	21,210
Equity and liabilities			
Shareholder's equity	1,138	18,500	11,191
Current liabilities	16,547	11,570	10,019
Total equity and liabilities	17,685	30,070	21,210



Definitions and glossary

In general	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.	
Definitions of indicators	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.	
Margins	Definition/Calculation	Purpose
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.
Return	Definition/Calculation	Purpose
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.
Data per share	Definition/Calculation	Purpose
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.	
Other definitions	Definition/Calculation	Purpose
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.

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.

Business concept

Veg of Lund shall develop a product portfolio of patented products under the Company's consumer brand DUG, as an ingredient for the food industry and the catering industry, and by licensing the Company's patented emulsion technology. With a flexible business model, the company aims to address the market for plant-based food at a worldwide level.

Objectives

Economic and financial objectives

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

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

For more information, please contact:

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DUG Smoothie was introduced on the Swedish market in November 2022. The much-appreciated former line My Foodie has been incorporated into the DUG brand and meets a demand for a plant-based, allergen-free snack with the lowest fructose content on the market. An international launch is planned for 2023.



For more information about our delicious, healthy, and creamy potato-based beverages, visit dugdrinks.com.