



A year characterized by preparatory work and COVID-19

October–December 2020

- Net sales for the fourth quarter 2020 amounted to TSEK 352 (536).
- Earnings before depreciation and amortization (EBITDA) for the fourth quarter 2020 amounted to TSEK -3,387 (-5,483), and EBIT amounted to TSEK -3,504 (-5,594).
- Net profit for the fourth quarter 2020 amounted to TSEK -3,719 (-5,992).

January–December 2020

- Net sales for the full year 2020 amounted to TSEK 1,177 (2,038).
- Earnings before depreciation and amortization (EBITDA) amounted to TSEK -17,325 (-13,383), and EBIT amounted to TSEK -17,785 (-13,741).
- Net profit for the full year 2020 amounted to TSEK -18,348 (-14,139).

Significant events October–December 2020

- An extraordinary general meeting held on 6 November resolved to extend the authorization granted to the Board of Directors to issue new shares, warrants and convertible bonds.
- Veg of Lund entered into a cooperation agreement with Scandi Standard to develop plant-based alternatives to meat products.
- Veg of Lund produced its plant-based smoothie in a new type of packaging.
- DUG®, the company's plant-based potato milk, was presented.

Significant events after the period

- The company obtains bridge facility of up to MSEK 9 and issues warrants.
- The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2020 (-).

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

TSEK	Q4 2020	Q4 2019	Full year 2020	Full year 2019
Net sales	352	536	1,177	2,038
Gross margin, %	26	42	33	37
EBITDA	-3,387	-5,483	-17,325	-13,383
EBITDA margin, %	Neg.	Neg.	Neg.	Neg.
Operating profit (EBIT)	-3,504	-5,594	-17,785	-13,741
EBIT margin, %	Neg.	Neg.	Neg.	Neg.
Net profit for the period	-3,719	-5,992	-18,348	-14,139
Profit margin, %	Neg.	Neg.	Neg.	Neg.
Earnings per share before and after dilution, SEK	-0.35	-0.76	-1.80	-1.81
Equity ratio, %	70	Neg.	70	Neg.
Equity per share, SEK	0.60	-0.19	0.60	-0.19
Balance sheet total	9,063	7,279	9,063	7,279
Cash flow from operating activities	-2,661	-3,628	-17,899	-11,191
Average number of employees	2.5	1.0	2.5	0.5

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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

A word from the CEO

The end of 2020 clearly impacted by COVID-19

As a result of the prevailing pandemic, both the fourth quarter and the year 2020 as a whole were characterized by an uncertainty in just about everything. Veg of Lund's operations are proceeding according to plan, but with delays that have affected, among other things, the timetable for the introduction of our potato milk. The pandemic notwithstanding, we have reached several important milestones: We have concluded agreements with distributors in several markets, developed a new carton container for My Foodie®, and produced test volumes of the potato milk.

The sales of our plant-based smoothie products during the fourth quarter 2020 were disappointing, but they were impacted by the decisions that different countries made in their efforts to mitigate the spread of the coronavirus.

The fourth quarter had a few silver linings as well. This mostly relates to our potato milk, which we will market under the brand DUG®, and the entered cooperation agreement with Scandi Standard, the leading producer of chicken-based food products in the Nordic region. The aim of this cooperation is to develop the plant-based meat products of the future.

The preparations for a consumer launch of DUG® are ongoing, and our plan, which we consider feasible, is to launch the potato milk during the first half of 2021. We are prepared if the market situation changes. The meat development effort, led by Eva Tornberg, Veg of Lund's Head of Research and Development, follows the plan to offer novel foods that satisfy the demand of a growing number of consumers that are choosing plant-based food.

Marketing activities

During the fourth quarter 2020, the activities on each market have focused on the supply of My Foodie® to existing retailers, such as coffee shops and stores, and our strategic partners in China and Greece.

On 15 December 2020, we presented DUG® and the three products included under the brand. The beverage is based on potato, one of the most sustainable raw materials available, which is grown throughout the world. This results in DUG® being super sustainable, by low climate footprint, efficient land-use and low water consumption. DUG® is free from allergens such as lactose, milk, soy, gluten and nuts and has a creamy, well-balanced taste.

Sales

Net sales for the fourth quarter 2020 amounted to TSEK 352, a decrease of 34 percent compared with the corresponding quarter 2019. COVID-19 continued to impact sales in Sweden, England as well as China.

The market

The interest in plant-based food is a growing global trend. The long-term trends with increased demand for plant-based food and focus on health imply a continued positive opportunity for Veg of Lund and our products.

The COVID-19 crisis drags on, and we note that restrictions are imposed with short notice; as a consequence, it is Veg of Lund's assessment that a high degree of flexibility will be essential, for example if circumstances change due to the planned vaccination efforts.

Capital position

We are seeing interest from and are being approached by Swedish and international investors, who sees opportunities to cooperate with Veg of Lund in relation to our objective to develop additional plant-based foods beyond our current range.



"The long-term trends with increased demand for plant-based foodstuffs and focus on health imply a continued positive development for Veg of Lund and our products."

Thomas Olander,
CEO and co-founder





After the end of the financial year, we have entered into a bridge loan facility of up to MSEK 9 to ensure the company's current capital requirements. It is our assessment that the bridge facility, in combination with the cash and cash equivalents at hand, will ensure the company's capital requirements for the next 12 months. The bridge financing will further allow the board of directors to continue its active evaluation of different financing options to ensure the long-term financing and optimal capital structure of the company.

Summing up 2020, I note that the year has been characterized by preparations for several key steps that will take Veg of Lund to the next level. We are in a good starting position to generate future growth, with both existing and new products. Among them, the potato milk will contribute the most value. We are looking forward to be able to meet consumers and customers as well as to enhanced development and sales cooperations.

Thomas Olander,
CEO and co-founder



Financial overview

Development of sales

Fourth quarter

During the period, Veg of Lund's net sales totaled TSEK 352 (536), a decrease of 34 percent, of which four percentage points corresponded to negative currency effects. The decrease is attributable to the global impact of the ongoing pandemic, which has affected all the markets where Veg of Lund operates.

The year as a whole

For the year as a whole, Veg of Lund's net sales totaled TSEK 1,177 (2,038), a decrease of 42 percent. Negative currency effects impacted net sales by one percent. The decrease is mainly attributable to the ongoing pandemic's impact on the group's markets.

Profit

Operating profit (EBIT), fourth quarter

During the fourth quarter, operating profit amounted to TSEK -3,504 (-5,594). The improvement is mainly attributable to reduced costs related to marketing and sales due to the lower market activity that the current COVID-19 situation has caused.

Operating profit (EBIT), year as a whole

Operating profit for the year as a whole amounted to TSEK -17,785 (-13,741). The result was burdened by one-off IPO costs of TSEK -3,500 (-). The declining performance was the result of lower sales and a slightly higher level of costs, which was influenced by increased product development and organizational build-up.

Net financial items

The financial profit for the year amounted to TSEK -561 (-398) and mainly comprised interest cost for pre-issuance loans received and exchange rate fluctuations related to intra-group transactions.

Net profit for the period

Tax expenses amounted to TSEK 2 (-). Net profit for the year amounted to TSEK -18,348 (-14,139).

Earnings per share

Earnings per share for the year amounted to SEK -1.80 (-1.81).

Cash flow, investments and financial position

Cash flow for the fourth quarter

Cash flow during the quarter amounted to TSEK -3,111 (-3,394) due to the negative profit. During the fourth quarter 2020, the company received an advance of MSEK 1,5 from Scandi Standard relating to a joint development project. During the corresponding period in 2019, the company was provided liquidity in the form of pre-issuance loans of TSEK 2,000.

Cash flow, year as a whole

The cash flow for the year as a whole amounted to TSEK 3,679 (-9,299). In the beginning of the year, the company was provided approximately MSEK 22 net in connection with the IPO, after the deduction of issuance costs and repayment of pre-issuance loans. During 2019, the company was provided liquidity by means of pre-issuance loans totaling TSEK 5,000.

Investments

During the year, investments in intangible assets amounted to TSEK 551 (161), relating to the company's patent application processes. Investments in financial items amounted to TSEK 15 (-) during the year. No investments in property, plant and equipment were made during the year (TSEK 729).

Change in cash and cash equivalents

Cash and cash equivalents increased by TSEK 3,665 (-9,299) during the year, to TSEK 4,913 (1,248).

Capital position

To ensure current capital requirements the company has, after the end of the financial year, on 17 February 2021 entered into a bridge loan facility agreement according to which the lenders have committed to, during a period of 12 months, provide a bridge facility of up to MSEK 9 in tranches of MSEK 1.5. The interest rate has been set to 10 percent per annum on the outstanding loan amount. In addition, the board



of directors has resolved to issue 300,000 warrants free of charge to the lenders, where each tranche of SEK 1.5 million entitles to 50,000 warrants. The warrant issue is resolved by virtue of the authorization granted by the extraordinary general meeting on 6 November 2020. The reason for deviating from the shareholders' pre-emption rights is to enable the obtaining of working capital. Through the warrant issue, the number of shares in the company can be increased with not more than 300,000, and the Company's share capital can be increased with not more than SEK 19,200, corresponding to a dilution of not more than 2.8 percent.

It is the company's assessment that the bridge facility, in combination with the cash and cash equivalents at hand, will ensure the company's capital requirements for the next 12 months. The bridge facility will further allow the Board of Directors to continue its active evaluation of different financing options to ensure the long-term financing and optimal capital structure of the company. For more information, see the press release dated 17 February 2021.

Equity

The group's total equity amounted to TSEK 6,370 (-1,484) at the end of the period, and equity per share amounted to SEK 0.60 (-0.19). The improvement is attributable to the completed share issue of TSEK 25,535 (-).

The parent company

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

During 2020, the parent company's net sales decreased to TSEK 1,595 (2,004), of which TSEK 752 (410) represented intra-group sales. Net profit for the period amounted to TSEK 15,114 (-11,498). Investments in tangible and intangible fixed assets amounted to TSEK 551 (890). During the year, the subsidiary in England received a capital injection of TSEK 5,730 (-). 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. In connection with the listing on 10 February 2020, the company carried out a new issue of 2,727,272 shares. Following this issue, the number of shares outstanding totals 10,567,272 shares, corresponding to 10,567,272 votes.

Subscription warrants

Series 2020/2023 subscription warrants

On 10 September 2020, Veg of Lund's Board of Directors resolved, on the authority of the Annual General Meeting of 16 June 2020, 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 15 September and 15 November 2023.

Entitled to subscribe for Series 2020/2023 warrants is Veg of Lund's long-term partner for the Chinese market. 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 0.86 per warrant. The directed issue provided Veg of Lund proceeds of approximately SEK 250,000. Each warrant entitles the holder to subscribe for one (1) new share in the company at a subscription price of SEK 18.00.

As of 31 December 2020, Veg of Lund AB (publ) had 2,097 shareholders.

Ownership structure on 31 December 2020

Name	Number of shares and votes	Share of capital and votes, %
Eva Tornberg through company	1,323,182	12.5%
Thomas Olander through company	1,063,636	10.1%
Torbjörn Malmsjö through company	767,557	7.3%
LU Holding	672,061	6.4%
Anders Hättmark through company	666,523	6.3%
LMK	431,818	4.1%
Einar Haugland	391,000	3.7%
Thomas Holmgren with related parties	350,072	3.3%
Anders Färnqvist	300,000	2.8%
Nordnet Pensionsförsäkring	253,006	2.4%
Other shareholders	4,348,417	41.1%
Total	10,567,272	100.0%

Source: Euroclear and Veg of Lund

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Other disclosures

Employees

The average number of employees amounted to 2.5 (1.0) during the quarter and 2.5 (0.5) during the year as a whole.

Annual General Meeting 2021

The Annual General Meeting 2021 will be held on Wednesday, 12 May at 3 pm CET in Malmö, Sweden. Additional information will be published on the company's website. Shareholders who wish to have a matter brought before the Annual General Meeting are requested to submit a request in writing to the Board of Directors no later than Wednesday, 24 March 2021. Such requests should be sent by e-mail to vegoflund@fredersen.se or by mail to Veg of Lund AB, Bolagsstämman, Södra Vallgatan 5, SE-211 40 Malmö, Sweden.

The annual report for 2020 is foreseen to be ready for publication on Veg of Lund's website, www.ir.vegoflund.se, during the week commencing 15 March 2021.

Dividend

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2020 (-).

Upcoming publication dates

Interim report January–March 2021, quarter 1	12 May 2021
Interim report April–June 2021, quarter 2	11 August 2021
Interim report July–September 2021, quarter 3	10 November 2021
Year-end report 2021	17 February 2022

Significant related-party transactions

During the financial year 2020, consultancy fees of TSEK 2,284 (1,008) were paid to the following related parties the company: Thomas Olander (CEO), Torbjörn Clementz (Chairman of the Board), Eva Tornberg (director), Anders Hättmark (director). All transactions have been conducted on market conditions.

Accounting principles

The year-end 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

The risks and uncertainties that Veg of Lund's operations are exposed to are described on pages 23–24 of the company's annual report for 2019. In Veg of Lund's assessment, there have been no significant changes to these risks or uncertainties after the presentation of the annual report, except for the ones stated below.

Brexit

Since the end of 2020, the EU and the United Kingdom have an agreement in place that provides the necessary conditions for Veg of Lund to sustain its production and marketing in England.

Effects of the COVID-19 pandemic

It remains uncertain how the coronavirus will impact Veg of Lund's future operations. The company's operations are mostly affected by indirect decisions, including collaborations with producers, that delay the execution of planned activities. Veg of Lund closely monitors the development of regulatory and financial conditions as well as consumer behavior and is prepared for the new conditions prompted by COVID-19. The company makes continuous assessments that will be presented in future reports and, where appropriate, in additional disclosures via press releases.



Malmö, Sweden, 18 February 2021

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

Torbjörn Clementz
Chairman of the Board

Anders Hättmark
Director

Linda Neckmar
Director

Eva Tornberg
Director

Roger Johansson
Director

Thomas Olander
Director and CEO

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



Consolidated income statement

TSEK	Note	Q4 2020	Q4 2019	Full year 2020	Full year 2019
Net sales		352	536	1,177	2,038
Own work capitalized		-	-	-	-
Other income	1	714	1	805	46
Total income		1,066	537	1,982	2,084
<i>Operating expenses</i>					
Cost of goods sold		-261	-310	-794	-1,294
Other external expenses		-3,736	-5,477	-16,665	-13,733
Personnel expenses		-452	-222	-1,823	-390
Depreciation, amortization and impairment		-117	-111	-460	-358
Other operating expenses		-4	-11	-25	-50
Operating profit (EBIT)		-3,504	-5,594	-17,785	-13,741
Interest income and similar items		-	-	66	-
Interest expense and similar items		-215	-398	-627	-398
Result from financial items		-215	-398	-561	-398
Profit before tax (EBT)		-3,719	-5,992	-18,346	-14,139
Taxes		-	-	-2	-
Net profit for the period		-3,719	-5,992	-18,348	-14,139
Number of shares		10,567,272	7,840,000	10,567,272	7,840,000
Average number of shares		10,567,272	7,840,000	10,208,617	7,812,603
Earnings per share before and after dilution, SEK		-0.35	-0.76	-1.80	-1.81

Profit for the period and total comprehensive income is fully attributable to the shareholders of the parent Company.

On 10 September 2020, Veg of Lund's Board of Directors resolved upon a directed issue of 290,920 warrants with an exercise period from 15 September to 15 November 2023.

Notes

1. The company received government financial support for business during the pandemic of TSEK 27 (-) during the fourth quarter and TSEK 90 (-) during the year as a whole. During the fourth quarter, the company received revenue of TSEK 682 from the joint venture Scandi Standard.



Consolidated statement of financial position

TSEK	31 dec 2020	31 dec 2019
ASSETS		
Intangible assets		
Capitalized expenditure for development	297	428
Patent, trademarks and licenses	928	396
Total intangible assets	1,225	824
Property, plant and equipment		
Equipment, tools, fixture and fittings	960	1,269
Total property, plant and equipment	960	1,269
Non-current financial assets		
Non-current financial receivables	15	-
Total non-current financial assets	15	-
Total non-current assets	2,200	2,093
Inventory etc.		
Finished trade goods	252	218
Raw materials	361	-
Total inventory etc.	613	218
Current receivables		
Trade receivables	45	560
Other short-term receivables	620	837
Prepaid expenses and accrued income	672	2,323
Total current receivables	1,337	3,720
Cash and cash equivalents	4,913	1,248
Total current assets	6,863	5,186
TOTAL ASSETS	9,063	7,279



TSEK	31 dec 2020	31 dec 2019
EQUITY AND LIABILITIES		
Shareholder's equity		
Share capital	676	502
Unregistered share capital	-	-
Share premium reserve	44,179	18,568
Translation reserve	418	1
Retained earnings	-20,555	-6,416
Result for the financial year	-18,348	-14,139
Total equity	6,370	-1,484
Current liabilities		
Trade payables	1,084	2,713
Other current liabilities	258	5,443
Accrued expenses and prepaid income	1,351	607
Total current liabilities	2,693	8,763
Total liabilities	2,693	8,763
TOTAL EQUITY AND LIABILITIES	9,063	7,279



Consolidated changes in equity

TSEK	Share capital	Share premium reserve	Translation reserve	Retained earnings	Result for the financial year	Total equity
The beginning of the period, 1 Jan 2020	502	18,568	1	-6,416	-14,139	-1,484
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
The end of the period, 31 Dec 2020	676	44,179	418	-20,555	-18,348	6,370

TSEK	Share capital	Share premium reserve	Translation reserve	Retained earnings	Result for the financial year	Total equity
The beginning of the period, 1 Jan 2019	78	18,992	-	-1,640	-4,776	12,654
Disposition of previous year's result				-4,776	4,776	
Bonus issue	424	-424				
Translation reserve			1			1
Result for the financial year					-14,139	-14,139
The end of the period, 31 Dec 2019	502	18,568	1	-6,416	-14,139	-1,484



Consolidated statement of cash flows

TSEK	Q4 2020	Q4 2019	Full year 2020	Full year 2019
Cash flow from operating activities				
Operating profit	-3,504	-5,594	-17,785	-13,741
Adjustment for non-cash items	117	195	460	360
Paid taxes	-	-	-2	
Paid finance items, net	0	-	0	-
Cash flow from operating activities before changes in working capital	-3,387	-5,399	-17,327	-13,381
Changes in working capital				
Changes in operating receivables	-197	-159	48	-361
Changes in operating payables	923	1,930	-620	2,551
Cash flow from operating activities	-2,661	-3,628	-17,899	-11,191
Investing activities				
Investment in intangible assets	-91	-74	-551	-161
Investment in property, plant and equipment	-	-	-	-729
Investment in financial items	-	-	-15	-
Cash flows used in investing activities	-91	-74	-566	-890
Financing activities				
Shareholder's contribution	-	-	30,250	-
Issuance expenses	-	-	-2,247	-
Prepaid issuance expenses	-359	-1,692	-359	-2,218
Pre-issuance loans	-	2,000	-5,500	5,000
Cash flows from financing activities	-359	308	22,144	2,782
CASH FLOWS FOR THE PERIOD	-3,111	-3,394	3,679	-9,299
Cash and cash equivalents at beginning of the period	8,029	4,642	1,248	10,547
Currency effect in cash and cash equivalents	-5	0	-14	0
Cash and cash equivalents at the end of the period	4,913	1,248	4,913	1,248



Parent company's condensed financial statements

TSEK	Q4 2020	Q4 2019	Full year 2020	Full year 2019
Net sales	486	561	1,595	2,004
Other income	714	0	805	7
Total income	1,200	561	2,400	2,011
Cost of goods sold	-386	-458	-1,268	-1,401
Other external expenses	-3,003	-3,858	-13,836	-10,911
Personnel expenses	-452	-222	-1,823	-390
Depreciation, amortization and impairment	-117	-111	-460	-358
Other operating expenses	-3	-11	-25	-50
Operating profit (EBIT)	-2,761	-4,098	-15,012	-11,100
Finance net	-0	-398	-102	-398
Profit before tax (EBT)	-2,761	-4,496	-15,114	-11,498
Net profit for the period	-2,761	-4,496	-15,114	-11,498

TSEK	31 Dec 2020	31 Dec 2019
Assets		
Intangible assets	1,225	824
Property, plant and equipment	960	1,269
Non-current financial assets	5,821	2,096
Total non-current assets	8,006	4,189
Inventory etc.	492	129
Current receivables	1,105	3,479
Cash and cash equivalents	4,845	1,117
Total current assets	6,442	4,725
Total assets	14,448	8,914
Equity and liabilities		
Shareholder's equity	11,827	1,156
Current liabilities	2,621	7,758
Total equity and liabilities	14,448	8,914



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
Equity ratio, %	Equity in relation to total assets.	The company has chosen to present the indicator equity ratio 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.
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.	
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 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 food innovation company rooted in research at Lund university. The company has developed a unique, patented method to produce a stable plant-based emulsion consisting of potato and rapeseed oil. As its first product, Veg of Lund launched My Foodie®, available from food retailers in Sweden and the United Kingdom. Veg of Lund was admitted for trading on Nasdaq First North Growth Market in February 2020. Read more at www.vegoflund.se. Certified Adviser: Eminova Fondkommision AB, tel. +46 8 684 211 10, e-mail adviser@eminova.se.

Business concept

Veg of Lund aims to develop and market palatable, locally produced foodstuffs and alternatives to dairy-based foods, with added value and a strong health profile.

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 My Foodie®. 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 about MSEK 300 in the same year.

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DUG

HERE'S TO GENIUS TASTE

DELICIOUS & CREAMY



**ORIGINAL
POTATO**
DAIRY FREE

PLANT-BASED GOODNESS

DELICIOUS & CREAMY



**BARISTA
POTATO**
DAIRY FREE

PLANT-BASED GOODNESS

DELICIOUS & CREAMY



**UNSWEETENED
POTATO**
DAIRY FREE

PLANT-BASED GOODNESS

DUG, our new potato-based drink is deliciously creamy, makes perfect foam in coffee, works just like any other milk and just so happens to be the most sustainable alternative on the market. Genius, right?

Plant-based goodness coming soon!
Info@dugdrinks.com

“The potato milk is a genius beverage, and we wanted to give it a solid branding that is viable all over the world. The word ‘dug’ pertains to us digging where we stand, uncovering the answer right beneath our feet: ‘We dug deep and discovered a new plant-based dairy alternative’. The sustainability profile of DUG® will be the strongest on the market, with a quarter of the carbon footprint compared with milk of animal origin, with efficient use of land and very low water consumption. DUG® has a well-balanced taste profile, and the content is healthy and free of allergens. Furthermore, we have chosen a carton container from Tetra Pak, which meets our quality and environmental demands and at the same time allows us to achieve a clear graphic expression. I am positive that our potato milk will create a buzz and that it will sell well alongside the plant-based smoothie products of Veg of Lund,” says David Sandberg, Veg of Lund’s Head of Sales.