

Great interest in the launch of DUG®

April–June 2021

- Net sales for the second quarter amounted to TSEK 574 (242).
- Operating profit before depreciation and amortization, (EBITDA) amounted to TSEK -5,415 (-3,381), and EBIT amounted to TSEK -5,533 (-3,496).
- Net profit amounted to TSEK -5,588 (-3,809).

January–June 2021

- Net sales amounted to TSEK 659 (280).
- Operating profit before depreciation and amortization, (EBITDA) amounted to TSEK -7,580 (-10,268), and EBIT amounted to TSEK -7,814 (-10,493).
- Net profit amounted to TSEK -7,857 (-10,860).

Significant events April–June 2021

- The company conducted a directed issue of 357,162 shares following a request for conversion from lenders in the bridge facility.
- Veg of Lund launched its plant-based beverage DUG®. The first store to offer it was ICA Kvantum Liljeholmen in Stockholm. It has since been introduced in the region of Skåne and in 17 ICA Maxi stores in eastern Sweden.
- Sales launch for Veg of Lund's plant-based beverage DUG in the United Kingdom, through Amazon UK and coffee shops in the Oxford area.
- As one of 13 selected brands, DUG participated in China's most important trade fair for novel foods, the Food & Beverage Innovation Forum in Hangzhou.
- Veg of Lund launched its plant-based beverage DUG in China through the food chain Ole'.
- Cecilia Lindwall took up position as new CEO on 30 June.

Significant events after the period

- Emma Källqvist took up position as new CFO as of 1 July.
- The company conducted a directed issue of 36,822 shares following a request for conversion from lenders in the bridge facility.
- Board member Thomas Olander, left his role as a board member.

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

| TSEK | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|---|------------|------------|------------|------------|-------------------|
| Net sales | 574 | 242 | 659 | 280 | 1,177 |
| Gross margin, % | 24 | 42 | 27 | 42 | 33 |
| EBITDA | -5,415 | -3,381 | -7,580 | -10,268 | -17,325 |
| EBITDA margin, % | Neg. | Neg. | Neg. | Neg. | Neg. |
| Operating profit (EBIT) | -5,533 | -3,496 | -7,814 | -10,493 | -17,785 |
| EBIT margin, % | Neg. | Neg. | Neg. | Neg. | Neg. |
| Net profit for the period | -5,588 | -3,809 | -7,857 | -10,860 | -18,348 |
| Profit margin, % | Neg. | Neg. | Neg. | Neg. | Neg. |
| Earnings per share before and after dilution, SEK | -0.52 | -0.36 | -0.73 | -1.10 | -1.80 |
| Solidity, % | 41 | 92 | 41 | 92 | 70 |
| Equity per share, SEK | 0.36 | 1.27 | 0.36 | 1.27 | 0.60 |
| Balance sheet total | 9,721 | 14,657 | 9,721 | 14,657 | 9,063 |
| Cash flow from operating activities | -6,363 | -4,399 | -9,756 | -12,326 | -17,899 |
| Average number of employees | 5 | 3 | 4 | 2.5 | 2.5 |

This information is such that Veg of Lund AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 8:00 am CEST on 11 August 2021.

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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

Patents and products that are good for the planet

The second quarter of 2021 was one of the most important quarters, both for Veg of Lund and for me, personally. Veg of Lund started the launch of its potato-based beverage DUG®, with a focus on Sweden, the United Kingdom and China, and I took office as the CEO of Veg of Lund on 30 June. After a few weeks in my new role, I note that the former CEO Thomas Olander and the sales team have done – and continue to do – a magnificent job. To launch a new product in several markets as intended, in the midst of a pandemic, is a unique challenge.

After only a few weeks on the market, DUG has been very favourably received by consumers and retailers, which brings us great joy and energy in our efforts to reach out wider in the places and countries where sales have commenced. We are only at the beginning of our growth, and we are looking forward to all that lies ahead. The launch of DUG will, of course, be our focus in the forthcoming quarters, where we will see a significant increase in sales. In addition, we see good opportunities to increase the number of geographic markets and retailers over time in cooperation with partners.



ICA Kvantum Liljeholmen in Stockholm was the first store to offer DUG to its customers. It was followed by ICA Malmborgs in Skåne and several ICA Maxi stores in the region of Stockholm and Uppsala. More stores have been added in recent weeks. An updated list of the stores where DUG is available can be found on our website, dugdrinks.com. DUG is also offered in stores in China and on e-commerce platforms in the United Kingdom.

Taste DUG. The picture was taken in one of the Chinese food chain Ole's stores, where DUG was launched at the end of June.

After an encouraging start of the launch, we have received requests from more food chains in Sweden as well as in other countries inquiring as to their opportunities to sell DUG. The DUG launch and the growing interest in plant-based food has also aroused media attention in various countries. International industry media, including The Guardian and the BBC in the United Kingdom, have featured articles and segments about our new potato-based beverage, and similar reports have also featured in media in our potential future markets.

The rapid and positive response gives us a good opportunity to take the step across the Atlantic and continue the launch in the United States, where we begin in places with a large population and interest in new food innovations.

Patents and product

It has been just over a month since I began my new assignment as CEO of Veg of Lund. One of the main reasons behind my choice is that the company represents much of what I find important, sustainable food production and consumption. Veg of Lund is a company based on patents and products that benefit the planet.

Professor Eva Tornberg's patents for a stable plant-based emulsion and a method of manufacturing said emulsion was the foundation on which Veg of Lund was established in 2016 – and those patents remain important to us. Based on the company's international patents, we applied for patent protection for DUG in a number of important markets in



"Veg of Lund is a company based on patents and products that benefit the planet. DUG is an important launch that is currently under way, but it is only the beginning. Everything is based on potato and the endless possibilities it offers."

Cecilia Lindwall,
CEO

addition to Sweden during the second quarter of 2021. These include the United States, Canada, China, Hong Kong, Japan, South Korea, Australia and India.

DUG is an important launch that is currently under way, but it is only the beginning of the construction of the present and future Veg of Lund. Everything is based on the potato and the endless possibilities it offers. Patents and products based on potatoes lay the foundations for the company's strategy, which involves the following:

1. Transfer patented technology to product development in the most interesting segments.
2. Develop concepts and brand to become established and grow in these segments on the market.
3. Cultivate markets and explore value chains within each segment.



More about DUG

The launch of DUG commenced two months ago. We are humbled by the fact that we operate alongside a number of other talented companies in the plant-based beverage segment, but we are very confident that DUG is a competitive product, with the most sustainable, climate-smart, and healthy profile that meets customer demand.

We are proud that DUG has a taste that is perceived to be neutral, that is, does not overpower other flavours when used in combination with other products, such as in the coffee. A large part of the development work involved finding a balance, where DUG

could offer a distinct flavour and consistency and add something that consumers appreciate. Taste is individual, as we know, and we are delighted that our taste panels arrived at a taste that most consumers can share. The fact that DUG also is free from allergens and gives a perfect foam certainly contributed to their choice.

On our website, dugdrinks.com, we have gathered all the information about the different versions, the climate footprint, the contents, and the genius of the choice of potatoes. The site even conveys the taste of DUG.

Sales

During the quarter, Veg of Lund's net sales increased to TSEK 574 (242). The sales of DUG in Sweden, the United Kingdom and China accounts for the great majority of the total.

The market

The interest in plant-based food is a growing global trend. As more and more consumers become aware of the exploitation of the planet's resources, demand is growing for sustainable food production.

The analysis company Grand Market Research has assessed that the market for plant-based dairy products will reach USD 41 billion by 2025, an increase of 116 percent compared to the end of 2020. The long-term growth in demand for plant-based foodstuffs and focus on climate-smart products, high ethical standards, and health imply a continued strong market potential for Veg of Lund and our plant-based dairy products.

The COVID-19 crisis continues, and we note that restrictions are being partially lifted in our markets. Veg of Lund still considers it essential to have a high degree of flexibility, for example with regard to changing circumstances as a result of new variants of the virus or planned vaccination efforts.

Cecilia Lindwall,
CEO



Financial overview

Development of sales

During the second quarter of 2021, net sales totaled TSEK 574 (242), an increase of 137 percent. The growth in sales is attributable to the ongoing launch of DUG® in Sweden, the United Kingdom and China.

Operating expenses

Other external expenses

Other external expenses increased to TSEK 5,111 (3,020) in the second quarter as a result of costs related to the launch and marketing of DUG®.

Personnel expenses

Personnel expenses increased compared with the previous year, to TSEK 771 (474), due to a higher level of staffing.

Depreciation/amortization

Depreciation/amortization for the second quarter amounted to TSEK 117 (115), mostly attributable to depreciation of plant and equipment.

Profit

Operating profit (EBIT)

Operating profit for the second quarter 2021 amounted to TSEK -5,533 (-3,496) as a result of increased costs in conjunction with the launch preparations combined with overhead and adaptation of the organization to address the planned growth.

Net financial items

The financial profit for the quarter amounted to TSEK -55 (-311) and mainly comprised interest related to the bridge loans.

Net profit for the period

Net profit for the quarter amounted to TSEK -5,588 (-3,809).

Earnings per share

Earnings per share for the quarter amounted to SEK -0.52 (-0.36).

Cash flow, investments and financial position

Cash flow

Cash flow during the quarter amounted to TSEK -2,632 (-4,798). Cash flow from operating activities amounted to TSEK -6,363, which was offset by a positive cash flow from financing activities of TSEK 3,996.

Investments

During the quarter, investments in intangible assets amounted to TSEK 265 (399), 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 2,634 (4,813) during the quarter, to TSEK 2,869 (10,737).

Capital position

To ensure that the current financing needs are met, the company has during the quarter utilized part of the bridge loan facility that was established in the first quarter 2021.

During the quarter, the Board of Directors resolved upon a directed new issue of 357,162 shares to one of the lenders, in response to a request for conversion. After the end of the quarter, the Board of Directors resolved to carry out an additional directed issue of 36,822 shares to a lender in response to another request for conversion. Both requests were made in accordance with the conversion rights stipulated in the bridge facility agreement, which were described in detail in a press release issued on 17 February 2021.



The Board of Directors continues its active evaluation of various financing options to ensure the long-term financing and optimal capital structure of the company considering the ongoing launch of DUG.

Equity

The group's total equity amounted to TSEK 3,999 (13,436) at the end of the period, and equity per share amounted to SEK 0.36 (1.27).

The parent company

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

During the second quarter of 2021, the parent company's net sales increased to TSEK 679 (206), of which TSEK 167 (115) represented intra-group sales. Net profit for the period amounted to TSEK -4,647 (-2,909). Investments in tangible and intangible fixed assets amounted to TSEK 265 (399).

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



The share and the shareholders

Veg of Lund's share, ticker VOLAB and ISIN SE0013281979, is listed on Nasdaq First North Growth Market since 10 February 2020. The number of shares outstanding totals 11,224,434 shares, corresponding to 11,224,434 votes. The number of warrants outstanding amounts to 551,920. For the period January–June 2021, the average number of shares was 10,692,190. The diluted number of shares as of 30 June was 11,776,354.

As of 30 June 2021, Veg of Lund AB (publ) had 4,281 shareholders.

Trading in the share

Total liquidity in the share during the second quarter of 2021 amounted to MSEK 132.4 (8.3). The number of transactions for the same period totaled 19,608 (2,056). The average volume per transaction decreased to 314 (716). The average daily turnover for the Veg of Lund share was 100,779 shares, at an average share price of SEK 14.76.

Ownership structure on 30 June 2021

| Name | Number of shares and votes | Share of capital and votes, % |
|------------------------------------|----------------------------|-------------------------------|
| Eva Tornberg through company | 1,323,182 | 11.9% |
| Thomas Olander through company | 1,063,636 | 10.1% |
| Anders Färnqvist | 780,000 | 7.0% |
| Anders Hättmark through company | 666,523 | 6.0% |
| Torbjörn Malmsjö | 609,375 | 5.5% |
| LU Holding | 572,061 | 5.1% |
| Einar Haugland | 396,900 | 3.6% |
| Försäkringsbolaget, Avanza Pension | 289,065 | 2.6% |
| Kenneth Eriksson | 250,000 | 2.2% |
| Thomas Holmgren | 244,201 | 2.2% |
| Other shareholders | 4,951,491 | 44.4% |
| Total | 11,146,434* | 100.0% |

Source: Euroclear and Veg of Lund

*The total is short of 78,000 shares compared to the information registered with the Swedish Companies Registration Office as of 2021-06-30. These 78,000 shares were registered with Euroclear in early July.



Other disclosures

Employees

The average number of employees in the group amounted to 5 (3) during the quarter.

Annual General Meeting 2021

The Annual General Meeting 2021 was held on 12 May 2021. As members of the board, Torbjörn Clementz, Thomas Olander, Anders Hättmark, Eva Tornberg, Linda Neckmar and Roger Johansson were re-elected. Torbjörn Clementz was re-elected as Chairman of the Board. The general meeting further resolved to re-elect Deloitte as the company's auditors for the period up to the Annual General Meeting 2022. Deloitte has been Veg of Lund AB's auditor since 8 June 2016.

Upcoming publication dates

| | |
|------------------------------------|------------------|
| Interim report July–September 2021 | 10 November 2021 |
| Year-end report 2021 | 17 February 2022 |
| Interim report January–March 2022 | 10 May 2022 |
| Interim report April–June 2022 | 16 August 2022 |

Significant related-party transactions

During the quarter, the company's related-party transactions totaled TSEK 218 (513). 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

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

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

Effects of the COVID-19 pandemic

The COVID-19 crisis continues, and we note that restrictions are being partially lifted in our markets. Veg of Lund still considers it essential to have a high degree of flexibility, for example with regard to changing circumstances as a result of new variants of the virus or planned vaccination efforts.

Certified Adviser

Certified adviser for the Company is Eminova Fondkommission AB, telephone: +46 8 684 211 10 and email: adviser@eminova.se



Assurance

The Board of Directors and the CEO confirm that this year-end 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, 11 August 2021

Torbjörn Clementz
Chairman of the Board

Anders Hättmark
Director

Linda Neckmar
Director

Eva Tornberg
Director

Roger Johansson
Director

Cecilia Lindwall
Chief Executive Officer

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



Consolidated income statement

| TSEK | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|---|---------------|---------------|---------------|----------------|-------------------|
| Net sales | 574 | 242 | 659 | 280 | 1,177 |
| Other operating Income | 345 | 19 | 856 | 24 | 805 |
| Total income | 919 | 261 | 1,515 | 304 | 1,982 |
| <i>Operating expenses</i> | | | | | |
| Cost of goods sold | -434 | -139 | -479 | -162 | -794 |
| Other external expenses | -5,111 | -3,020 | -7,384 | -9,464 | -16,665 |
| Personnel expenses | -771 | -474 | -1,199 | -929 | -1,823 |
| Depreciation, amortization and impairment | -117 | -115 | -235 | -225 | -460 |
| Other operating expenses | -19 | -9 | -32 | -17 | -25 |
| Operating profit (EBIT) | -5,533 | -3,496 | -7,814 | -10,493 | -17,785 |
| Interest income and similar items | 0 | 0 | 19 | 47 | 66 |
| Interest expense and similar items | -55 | -311 | -60 | -412 | -627 |
| Result from financial items | -55 | -311 | -41 | -365 | -561 |
| Profit before tax (EBT) | -5,588 | -3,807 | -7,855 | -10,858 | -18,346 |
| Taxes | - | -2 | -2 | -2 | -2 |
| Net profit for the period | -5,588 | -3,809 | -7,857 | -10,860 | -18,348 |
| Number of shares | 11,224,434 | 10,567,272 | 11,224,434 | 10,567,272 | 10,567,272 |
| Average number of shares | 10,815,736 | 10,567,272 | 10,692,190 | 9,847,991 | 10,208,617 |
| Earnings per share before and after dilution, SEK | -0.52 | -0.36 | -0.73 | -1.10 | -1.80 |

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

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



Consolidated statement of financial position

| TSEK | 30 June 2021 | 30 June 2020 | 31 Dec 2020 |
|--|-----------------|-----------------|----------------|
| ASSETS | | | |
| Intangible assets | | | |
| Capitalized expenditure for development | 230 | 362 | 297 |
| Patents, trademarks and licences | 1,255 | 808 | 928 |
| Total intangible assets | 1,485 | 1,170 | 1,225 |
| Property, plant and equipment | | | |
| Equipment, tools, fixtures and fittings | 805 | 1,114 | 960 |
| Total property, plant and equipment | 805 | 1,114 | 960 |
| Non-current financial assets | | | |
| Non-current financial receivables | 15 | 15 | 15 |
| Total non-current financial assets | 15 | 15 | 15 |
| Total non-current assets | 2,305 | 2,299 | 2,200 |
| Inventory, etc. | | | |
| Finished trade goods | 730 | 687 | 252 |
| Raw materials | 1,136 | - | 361 |
| Total inventory, etc. | 1,866 | 687 | 613 |
| Current receivables | | | |
| Trade receivables | 355 | 205 | 45 |
| Other short-term receivables | 989 | 232 | 620 |
| Prepaid expenses and accrued income | 1,337 | 497 | 672 |
| Total current receivables | 2,681 | 934 | 1,337 |
| Cash and cash equivalents | 2,869 | 10,737 | 4,913 |
| Total current assets | 7,416 | 12,358 | 6,863 |
| TOTAL ASSETS | 9,721 | 14,657 | 9,063 |



| TSEK | 30 June 2021 | 30 June 2020 | 31 Dec 2020 |
|--------------------------------------|-----------------|-----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Shareholder's equity | | | |
| Share capital | 718 | 676 | 676 |
| Share premium reserve | 49,610 | 43,929 | 44,179 |
| Translation reserve | 431 | 246 | 418 |
| Retained earnings | -38,903 | -20,555 | -20,555 |
| Result for the financial year | -7,857 | -10,860 | -18,348 |
| Total equity | 3,999 | 13,436 | 6,370 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Other non-current liabilities | 324 | - | - |
| Total non-current liabilities | 324 | - | - |
| Current liabilities | | | |
| Trade payables | 2,167 | 834 | 1,084 |
| Other current liabilities | 2,404 | 131 | 258 |
| Accrued expenses and prepaid income | 827 | 256 | 1,351 |
| Total current liabilities | 5,398 | 1,221 | 2,693 |
| Total liabilities | 5,722 | 1,221 | 2,693 |
| TOTAL EQUITY AND LIABILITIES | 9,721 | 14,657 | 9,063 |



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 2021 | 676 | 44,179 | 418 | -20,555 | -18,348 | 6,370 |
| Disposition of previous year's result | | | | -18,348 | 18,348 | |
| New issuance | 23 | 3,017 | | | | 3,040 |
| Issuance of warrants | 19 | 2,414 | | | | 2,433 |
| Translation reserve | | | 13 | | | 13 |
| Net profit for the period | | | | | -7,857 | -7,857 |
| The end of the period, 30 June 2021 | 718 | 49,610 | 431 | -38,903 | -7,857 | 3,999 |

| 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 |
| Translation reserve | | | 245 | | | 245 |
| Net profit for the period | | | | | -10,860 | -10,860 |
| The end of the period, 30 June 2020 | 676 | 43,929 | 246 | -20,555 | -10,860 | 13,436 |

| TSEK | Share capital | Share premium reserve | Translation reserve | Retained earnings | Result for the financial year | Total equity |
|--|---------------|-----------------------|---------------------|-------------------|-------------------------------|---------------|
| The beginning of the year, 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 year, 31 Dec 2020 | 676 | 44,179 | 418 | -20,555 | -18,348 | 6,370 |



Consolidated statement of cash flows

| TSEK | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|--|---------------|---------------|---------------|----------------|-------------------|
| Cash flow from operating activities | | | | | |
| Operating profit | -5,533 | -3,496 | -7,814 | -10,493 | -17,785 |
| Adjustment for non-cash items | 117 | 115 | 234 | 225 | 460 |
| Paid taxes | 0 | -2 | -2 | -2 | -2 |
| Interest paid | -44 | 0 | -50 | 0 | 0 |
| Cash flow from operating activities before changes in working capital | -5,460 | -3,383 | -7,632 | -10,270 | -17,327 |
| Changes in working capital | | | | | |
| Changes in operating receivables | -2,167 | 362 | -2,572 | 39 | 48 |
| Changes in operating payables | 1,264 | -1,378 | 449 | -2,095 | -620 |
| Cash flow from operating activities | -6,363 | -4,399 | -9,755 | -12,326 | -17,899 |
| Investing activities | | | | | |
| Investment in intangible assets | -265 | -399 | -341 | -416 | -551 |
| Investment in property, plant and equipment | - | - | - | - | - |
| Investment in financial items | - | - | - | -15 | -15 |
| Cash flows used in investing activities | -265 | -399 | -341 | -431 | -566 |
| Financing activities | | | | | |
| Shareholder's contribution | 4,746 | - | 5,797 | 30,000 | 30,250 |
| Issuance expenses | - | - | - | -2,247 | -2,247 |
| Prepaid issuance expenses | - | - | - | - | -359 |
| Pre-issuance loans | - | - | - | -5,500 | -5,500 |
| Amortization | -3,000 | - | -3,000 | - | - |
| Borrowings | 2,250 | - | 5,250 | - | - |
| Cash flow from financing activities | 3,996 | - | 8,047 | 22,253 | 22,144 |
| CASH FLOWS FOR THE PERIOD | -2,632 | -4,798 | -2,049 | 9,496 | 3,679 |
| Cash and cash equivalents at beginning of the period | 5,503 | 15,550 | 4,913 | 1,248 | 1,248 |
| Currency effect in cash and cash equivalents | -2 | -15 | 5 | -7 | -14 |
| Cash and cash equivalents at the end of the period | 2,869 | 10,737 | 2,869 | 10,737 | 4,913 |



Parent company's condensed financial statements

| TSEK | Q2 2021 | Q2 2020 | H1 2021 | H1 2020 | Full year 2020 |
|---|---------------|---------------|---------------|---------------|-------------------|
| Net sales | 679 | 206 | 811 | 588 | 1,595 |
| Other operating income | 345 | 19 | 856 | 24 | 805 |
| Total income | 1,024 | 225 | 1,667 | 612 | 2,400 |
| Cost of goods sold | -550 | -160 | -637 | -476 | -1,268 |
| Other external expenses | -4,159 | -2,376 | -5,808 | -8,147 | -13,836 |
| Personnel expenses | -771 | -474 | -1,199 | -929 | -1,823 |
| Depreciation, amortization and impairment | -117 | -115 | -235 | -225 | -460 |
| Other operating expenses | -19 | -9 | -32 | -17 | -25 |
| Operating profit (EBIT) | -4,592 | -2,909 | -6,244 | -9,182 | -15,012 |
| Finance net | -55 | - | -42 | -102 | -102 |
| Profit before tax (EBT) | -4,647 | -2,909 | -6,286 | -9,284 | -15,114 |
| Net profit for the period | -4,647 | -2,909 | -6,286 | -9,284 | -15,114 |

| TSEK | 30 June 2021 | 30 June 2020 | 31 Dec 2020 |
|-------------------------------------|-----------------|-----------------|----------------|
| Assets | | | |
| Intangible assets | 1,486 | 1,170 | 1,225 |
| Property, plant and equipment | 805 | 1,115 | 960 |
| Non-current financial assets | 5,825 | 4,731 | 5,821 |
| Total non-current assets | 8,116 | 7,016 | 8,006 |
| Inventory, etc. | 1,711 | 470 | 492 |
| Current receivables | 3,927 | 480 | 1,105 |
| Cash and cash equivalents | 2,788 | 10,610 | 4,845 |
| Total current assets | 8,426 | 11,560 | 6,442 |
| Total assets | 16,542 | 18,576 | 14,448 |
| Equity and liabilities | | | |
| Shareholder's equity | 11,014 | 17,407 | 11,827 |
| Non-current liabilities | 324 | - | - |
| Current liabilities | 5,204 | 1,169 | 2,621 |
| Total equity and liabilities | 16,542 | 18,576 | 14,448 |



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. |
| 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) 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® and MyFoodie® brands. The company's share is listed on Nasdaq First North Growth Market under the ticker VOLAB. Read more at ir.vegoflund.se. Eminova Fondkommission AB is the company's Certified Adviser and can be contacted via telephone: +46 8 684 211 10 or e-mail: adviser@eminova.se.

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 exceeding MSEK 300 in the same year.

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