



## New strategy is starting to reflect in the results

### January–March 2023

- Net sales amounted to TSEK 1,822 (455).
- Operating profit before depreciation and amortization (EBITDA) amounted to TSEK -8,278 (-17,712), and EBIT amounted to TSEK -8,330 (-17,764).
- Net profit amounted to TSEK -8,617 (-17,999).

### Significant events January–March 2023

- Veg of Lund signs an agreement with the leading health food wholesaler of premium products in the United Kingdom.
- Veg of Lund moves its headquarters to Lund, establishing a Swedish office for the entire business.
- The Swiss food chain Migros launches DUG across 486 stores.
- Veg of Lund enters Germany with a distribution partner.
- Chairman of the Board Håkan K. Pålsson steps down from the Board at his own request. Eva Tornberg is appointed as Chair of the Board until the Annual General Meeting in June 2023.

### Significant events after the period

- 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.

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

TSEK	Q1 2023	Q1 2022	Full year 2022
Net sales	1,822	455	2,541
Gross margin, %	12	19	2
EBITDA	-8,278	-17,712	-42,580
EBITDA margin, %	Neg.	Neg.	Neg.
Operating profit (EBIT)	-8,330	-17,764	-42,787
EBIT margin, %	Neg.	Neg.	Neg.
Net profit for the period	-8,617	-17,999	-45,279
Profit margin, %	Neg.	Neg.	Neg.
Basic and diluted earnings per share, SEK	-0.35	-1.47	-3.41
Solidity, %	-29	52	35
Equity per share, SEK	-0.10	0.61	0.26
Balance sheet total	8,392	14,881	18,071
Cash flow from operating activities	-8,386	-9,419	-33,677
Average number of employees	7	9	9

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 8:30 am CET on 11 May 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](http://www.ir.vegoflund.se)

## A word from the CEO

### New strategy is starting to reflect in the results

**+400 percent and -53 percent are two key figures for the first quarter 2023. Net sales grew by 400 percent to TSEK 1,822 compared with the corresponding quarter in 2022. At the same time, the negative EBITDA was halved in comparison to the previous year's quarter. These are the first signs of how our updated strategy is becoming visible in the results. Cost-efficient growth, through geographic expansion of existing products, while we simultaneously develop our patent portfolio for the future.**

### Our international journey has started

A launch with Migros in Switzerland was carried out in early April. All three varieties of the DUG potato beverage are now offered across 486 stores and online. The placement of follow-up orders after the initial order and the best possible product display in the stores are indicative of Migros's faith and commitment to our concept. Together with Migros, we have worked to carry out a launch driven by PR, cost-efficient influencer marketing, and digital marketing, and the launch has already awoken the interest of other chains, coffee shops and potential future distribution partners in Switzerland.

In addition to Switzerland, the DUG potato drink will also be launched in Denmark during May. Our selected partner is Salling Group, with its store concepts Fotex and Bilka, comprising 101 stores overall. The launch will cover the two varieties DUG Barista and DUG Unsweetened. Just as in Switzerland, we are now working to address the interest among other operators that has followed in the wake of the announcement.

Our German distributor is continuing the dialogue with interested partners. Chains of stores and coffee shops are the channels that are relevant for the near future.

April marked the starting point of our newly recruited international salesmanager, who will lead the European expansion going forward. As a consequence, the number of ongoing discussions relating to new, potential collaborations has already multiplied many times over, and I expect them to have an impact on the bottom line already in the second half of 2023. Many of these discussions were opened at our booths at IFE (International Food & Drink Event) and London Coffee Show. During these events the response was unanimous: our new recipe is really good—in terms of flavour as well as in how well it works in coffee.

Beyond Europe, the effort to launch in Japan through a distributor has continued. Our prospective partner has started to showcase the DUG potato drink to potential customers pending the definitive import authorization. Our plan is still to launch to consumers during the summer.

### License discussions are progressing

Moreover, we are continuing the licensing discussions with a number of partners relating to our entire product portfolio: potato drink, smoothies, ice cream, and meat analogues. The most advanced discussion relates to Thailand, which is the fifth largest market in the world for plant-based milk beverages. Soy is the leading crop currently used as a basis, but alternative crops are on the rise and there is considerable interest in new options. Our discussions involve an operator with a number of brands currently on the market, and in April, its representatives visited Lund for an in-depth discussion on the potato beverage's intended route to market and the optimum manufacturing and sourcing model.

Entering license agreements have a somewhat longer lead-time than other businessmodels and I look forward to it starting to show in our result possibly already end 2023 but more importantly during 2024.

### In Sweden and the United Kingdom, a clearer picture of our opportunities is emerging.

The food industry segment, which includes sales of DUG Unsweetened in bulk, is clearly growing in England. This is driven by the sustainability profile of our product and the fact that it is allergen friendly and neutral in flavour. During the quarter, sales amounted to TSEK 446, and customer forecasts indicate increased possibilities going forward. We have, however, failed to set



"400 percent and -53 percent are two key figures for the first quarter 2023."

Fredrik Carling  
CEO



the right price for the product, at the same time as our production has maintained a high price level; both these aspects are set to change, and going into the third quarter, we will have a positive gross margin on these sales, which was not the case during the first quarter and in 2022. On the other hand, our retail chain customers have not seen the same positive development and we currently have a limited presence at the consumer level. As such, we are currently looking at how to address that in the future.

In Sweden, our smoothie is continuing its expansion at retail level. More and more stores, mainly ICA, are choosing to include it in their assortment. This is a clear opportunity for continued expansion and sales growth going forward. Just in time for summer, we are introducing a third flavour, mango.

### **Continued product and patent expansion**

At the same time as we focus on commercializing our consumer ready products, we continue the work to further expand the product and patent portfolio.

Our approach is to choose business model product by product. The most likely products to launch next is various forms of cream. Cooking cream, crème fraiche and whipped cream. These will be incorporated under the DUG brand and offered to industrial and retail customers during the fourth quarter of 2023.

The different forms of cream have the same unique properties as our potato drink. Sustainable, allergen friendly and helps to build food with a neutral taste. The products have already been demanded by the market and we plan to incorporate them into our already existing production and supply chain.

The ice cream is, apart from market-adapting flavoring, ready for commercialization and the ambition is to offer it through license agreements. Especially our Asian relationships have shown interest in this particular product and work on flavoring has begun with potential licensees.

Our agreement with Scandi Standard regarding potato based red and white meat was renegotiated during the quarter to the benefit of both parties. The original agreement gave Veg of Lund limited opportunity for commercialization on our own. Now we can initiate discussions with international partners and enter into agreements directly. It is a significant change that allows us to follow up on the interest that international actors have shown in our development.

### **The year is off to a good start.**

We have a product portfolio that is up to date and more products in pipeline.

We have already entered new markets in a good, more profitable way, and have more discussions ongoing.

Much remain to be done but we have a good start and look forward to moving into 2023 and making the year something significantly different to 2022.

I'm convinced that this will be the case and hope to show it in the results quarter by quarter.

Fredrik Carling  
CEO



## Financial overview

### Development of sales

#### *First quarter 2023*

During the first quarter, Veg of Lund's net sales totaled TSEK 1,822 (455), an increase of 400 percent. As a new market, Switzerland accounted for 45 percent of sales.

### Operating expenses

#### *Other external expenses*

Other external expenses amounted to TSEK -6,693 (-15,995) for the first quarter. The expenses mostly comprise sales and marketing costs of TSEK -3,023.

The period was burdened by an impairment loss of TSEK 572 on potato beverage based on the old recipe.

#### *Personnel expenses*

Personnel expenses for the first quarter amounted to TSEK -1,820 (-1,874).

#### *Depreciation/amortization*

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

### Profit

#### *Operating profit (EBIT)*

Operating profit for the first quarter 2023 amounted to TSEK -8,330 (-17,764) as a result of retrenchment and prioritization of costs.

#### *Net financial items*

The financial profit for the first quarter amounted to TSEK -287 (-235) and mainly comprised interest related to bridge loans and convertible bonds.

#### *Net profit for the period*

Net profit for the first quarter amounted to TSEK -8,617 (-17,999).

#### *Earnings per share*

Earnings per share for the first quarter amounted to SEK -0.35 (-1.47).

### Cash flow, investments and financial position

#### *Cash flow*

Cash flow during the first quarter 2023 amounted to TSEK -6,698 (-6,432). Cash flow from operating activities amounted to TSEK -8,386 (-9,419).

#### *Investments*

During the first quarter, investments in intangible assets amounted to TSEK 163 (111), 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 decreased by TSEK 6,698 (-6,436) during the quarter, to TSEK 1,587 (6,737).

#### *Capital position*

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 -2,437 (7,806) at the end of the quarter, and equity per share amounted to SEK -0.10 (0.61). 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.

#### First quarter 2023

During the first quarter 2023, net sales increased to TSEK 1,469 (1,308), of which TSEK 415 (1,221) represented intra-group sales. Net profit for the period amounted to TSEK -6,000 (-10,171). Investments in tangible and intangible fixed assets amounted to TSEK 163 (111).

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 24,617,624 shares outstanding, corresponding to 24,617,624 votes. The number of warrants outstanding amounts to 576,920.

For the period January–March 2023, the average number of shares amounted to 24,617,624. The diluted number of shares as of 31 March was 25,194,544.

As of 31 March 2023, Veg of Lund AB (publ) had 6,916 registered shareholders (7,402).

### Trading in the share

Total liquidity in the share during the first quarter of 2023 amounted to MSEK 10 (39,1). The number of transactions for the same period totaled 4,267 (2,151,348). The average volume per transaction increased to 1,590 (264) shares. The average daily turnover for the Veg of Lund share during the first quarter 2023 was 106,026 shares, at an average share price of SEK 1.41.

### Ownership structure on 31 March 2023

Name	Number of shares and votes	Share of capital and votes, %
Einar Haugland through company	2,185,337	8.88%
Anders Färnqvist	2,000,000	8.12%
Eva Tornberg through company	1,472,006	5.98%
Avanza Pension	833,751	3.39%
Anders Hättmark through company	801,329	3.26%
Kenneth Eriksson	800,000	3.25%
Torbjörn Malmsjö	637,766	2.59%
Nordnet Pensionsförsäkring	547,002	2.22%
Försäkringsbolaget Skandia	263,177	1.07%
Jan Emilsson	231,916	0.94%
Other shareholders	14,845,340	60.30%
<b>Total</b>	<b>24,617,624</b>	<b>100.00%</b>



## Other disclosures

### Employees

The average number of employees in the group amounted to 7 (9) during the quarter.

### Annual General Meeting 2023

The Annual General Meeting for the financial year 2022 will be held at the company's premises at Scheelevägen 22, Lund, Sweden. The date is not yet determined. Additional information is available on the company's website.

### Dividend

The Board of Directors proposes to the Annual General Meeting 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 April–June 2023	24 August 2023
Interim report July–September 2023	9 November 2023
Year-end report 2023	15 February 2024

### Significant related-party transactions

During the first quarter 2023, the company's related-party transactions totaled TSEK 180 (273). 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, 11 May 2023

*Eva Tornberg*  
Chairman of the Board

*Rolf Bjerndell*  
Director

*Anders Gustafsson*  
Director

*Anders Hättmark*  
Director

*Roger Johansson*  
Director

*Linda Neckmar*  
Director

*Fredrik Carling*  
Chief Executive Officer

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



## Consolidated income statement

TSEK	Q1 2023	Q1 2022	Full year 2022
Net sales	1,822	455	2,541
Other operating income	61	89	1,638
<b>Total income</b>	<b>1,883</b>	<b>544</b>	<b>4,179</b>
<i>Operating expenses</i>			
Cost of goods sold	-1,599	-370	-2,500
Other external expenses	-6,693	-15,955	-35,524
Personnel expenses	-1,820	-1,874	-8,609
Depreciation, amortization and impairment	-52	-52	-207
Other operating expenses	-49	-57	-126
<b>Operating profit (EBIT)</b>	<b>-8,330</b>	<b>-17,764</b>	<b>-42,787</b>
Interest income and similar items	52	268	630
Interest expense and similar items	-339	-503	-3,122
<b>Result from financial items</b>	<b>-287</b>	<b>-235</b>	<b>-2,492</b>
<b>Profit before tax (EBT)</b>	<b>-8,617</b>	<b>-17,999</b>	<b>-45,279</b>
Taxes	-	-	-
<b>Net profit for the period</b>	<b>-8,617</b>	<b>-17,999</b>	<b>-45,279</b>
Number of shares	24,617,624	12,815,201	24,617,624
Average number of shares	24,617,624	12,237,466	13,293,494
Basic and diluted earnings per share, SEK	-0.35	-1.47	-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 programmes, 2020/2023, 2021/2024, and TO2. More details on the first two programmes are provided in the Annual Report for the financial year 2022.

### *Series TO2 warrants*

On 23 December 2022, on the authority of the Annual General Meeting of 11 May 2022, the Board of Directors resolved to carry out an issue totaling 4,923,524 warrants, which were subscribed by the Company to be allotted free of charge to existing shareholders in the Company.

The warrants allotted free of charge to the shareholders in the Company are issued as part of the Company's long-term financing plan and can raise additional proceeds of approximately MSEK 10.8–21.7 before issuance costs.

All shareholders in Veg of Lund on the record date, 16 January 2023, received one (1) warrant for each five (5) shares held. One (1) warrant entitles the holder to subscribe for one (1) new share in the Company during the period between 7 June 2023 and 21 June 2023, at a subscription price equal to 70 percent of the volume-weighted average share price for the Company during the period of ten trading days prior to the exercise period but not less than SEK 2.20 and not more than SEK 4.40.



## Consolidated statement of financial position

TSEK	31 March 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Intangible assets</b>			
Capitalized expenditure for development	0	132	33
Patents, trademarks and licences	1,854	1,543	1,709
<b>Total intangible assets</b>	<b>1,854</b>	<b>1,675</b>	<b>1,742</b>
<b>Property, plant and equipment</b>			
Equipment, tools, fixtures and fittings	22	28	23
<b>Total property, plant and equipment</b>	<b>22</b>	<b>28</b>	<b>23</b>
<b>Non-current financial assets</b>			
Non-current financial receivables	15	15	15
<b>Total non-current financial assets</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>Total non-current assets</b>	<b>1,891</b>	<b>1,718</b>	<b>1,780</b>
<b>Inventory, etc.</b>			
Finished trade goods	1,059	2,052	1,128
Raw materials	421	1,253	1,441
Advances for goods and services	696	-	-
<b>Total inventory, etc.</b>	<b>2,176</b>	<b>3,305</b>	<b>2,569</b>
<b>Current receivables</b>			
Trade receivables	1,511	1,506	342
Other receivables	630	920	4,405
Prepaid expenses and accrued income	597	695	698
<b>Total current receivables</b>	<b>2,738</b>	<b>3,121</b>	<b>5,445</b>
<b>Cash and cash equivalents</b>	<b>1,587</b>	<b>6,737</b>	<b>8,277</b>
<b>Total current assets</b>	<b>6,501</b>	<b>13,163</b>	<b>16,291</b>
<b>TOTAL ASSETS</b>	<b>8,392</b>	<b>14,881</b>	<b>18,071</b>



TSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Share capital	1,576	820	1,576
Other contributed capital	112,022	86,702	112,207
Other equity	-116,035	-79,716	-107,413
<b>Total equity</b>	<b>-2,437</b>	<b>7,806</b>	<b>6,370</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities	4,117	-	3,847
Trade payables	4,100	3,389	4,100
Other current liabilities	458	335	423
Accrued expenses and prepaid income	2,154	3,351	3,331
<b>Total current liabilities</b>	<b>10,828</b>	<b>7,075</b>	<b>11,701</b>
<b>Total liabilities</b>	<b>10,828</b>	<b>7,075</b>	<b>11,701</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,392</b>	<b>14,881</b>	<b>18,071</b>



## Consolidated changes in equity

TSEK	Share capital	Other contributed capital	Other equity including net profit for the year	Total equity
<b>The beginning of the period, 1 Jan 2023</b>	<b>1,576</b>	<b>112,207</b>	<b>-107,413</b>	<b>6,370</b>
New issuance	-	-185	-	-185
Convertible bonds issued	-	-	-	-
Exercise of warrants	-	-	-	-
Issuance of warrants	-	-	-	-
Translation differences	-	-	-5	-5
Net profit for the period			-8,617	-8,617
<b>The end of the period, 31 Mar 2023</b>	<b>1,576</b>	<b>112,022</b>	<b>-116,035</b>	<b>-2,437</b>

TSEK	Share capital	Other contributed capital	Other equity including net profit for the year	Total equity
<b>The beginning of the period, 1 Jan 2022</b>	<b>782</b>	<b>80,642</b>	<b>-61,895</b>	<b>19,529</b>
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
<b>The end of the period, 31 Dec 2022</b>	<b>1,576</b>	<b>112,207</b>	<b>-107,413</b>	<b>6,370</b>



## Consolidated statement of cash flows

TSEK	Q1 2023	Q1 2022	Full year 2022
<b>Cash flow from operating activities</b>			
Operating profit	-8,330	-17,764	-42,787
Adjustment for non-cash items	52	52	378
Paid taxes	-10	-	-
Paid interest	-291	-41	-838
<b>Cash flow from operating activities before changes in working capital</b>	<b>-8,579</b>	<b>-17,753</b>	<b>-43,247</b>
<b>Changes in working capital</b>			
Changes in operating receivables	-235	4,715	6,591
Changes in operating payables	427	3,619	2,979
<b>Cash flow from operating activities</b>	<b>-8,387</b>	<b>-9,419</b>	<b>-33,677</b>
<b>Investing activities</b>			
Investment in intangible assets	-163	-111	-499
Investment in property, plant and equipment	-	-	-
Investment in financial assets	-	-	-
<b>Cash flow from investing activities</b>	<b>-163</b>	<b>-111</b>	<b>-499</b>
<b>Financing activities</b>			
Issues and other contributed capital	3,370	6,535	20,570
Issuance expenses	-1,519	-437	-3,871
Warrants	-	-	1,167
Amortization	-	-3,000	-7,000
Borrowings	-	-	18,380
<b>Cash flow from financing activities</b>	<b>1,851</b>	<b>3,098</b>	<b>29,246</b>
<b>CASH FLOW FOR THE YEAR</b>	<b>-6,699</b>	<b>-6,432</b>	<b>-4,930</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>8,277</b>	<b>13,173</b>	<b>13,173</b>
Currency effect in cash and cash equivalents	9	-4	34
<b>Cash and cash equivalents at the end of the year</b>	<b>1,587</b>	<b>6,737</b>	<b>8,277</b>



## Parent company's condensed financial statements

TSEK	Q1 2023	Q1 2022	Full year 2022
Net sales	1,469	1,308	4,725
Other operating income	61	90	1,638
<b>Total income</b>	<b>1,531</b>	<b>1,398</b>	<b>6,363</b>
Cost of goods sold	-1,249	-1,316	-4,642
Other external expenses	-4,304	-8,067	-23,780
Personnel expenses	-1,592	-1,845	-7,980
Depreciation, amortization and impairment	-52	-52	-207
Other operating expenses	-49	-57	-128
<b>Operating profit (EBIT)</b>	<b>-5,716</b>	<b>-9,939</b>	<b>-30,370</b>
Net financial items	-285	-232	-20,106
<b>Profit before tax (EBT)</b>	<b>-6,000</b>	<b>-10,171</b>	<b>-50,476</b>
<b>Net profit for the period</b>	<b>-6,000</b>	<b>-10,171</b>	<b>-50,476</b>

TSEK	31 Mar 2023	31 Mar 2022	Full year 2022
<b>Assets</b>			
Intangible assets	1,854	1,675	1,742
Property, plant and equipment	22	28	23
Non-current financial assets	8,021	15,623	5,806
<b>Total non-current assets</b>	<b>9,897</b>	<b>17,326</b>	<b>7,571</b>
Inventory, etc.	1,352	2,491	1,505
Current receivables	1,880	2,455	4,564
Cash and cash equivalents	1,074	6,430	7,570
<b>Total current assets</b>	<b>4,306</b>	<b>11,376</b>	<b>13,639</b>
<b>Total assets</b>	<b>14,203</b>	<b>28,702</b>	<b>21,210</b>
<b>Equity and liabilities</b>			
Shareholder's equity	5,006	25,235	11,191
Current liabilities	9,197	3,467	10,019
<b>Total equity and liabilities</b>	<b>14,203</b>	<b>28,702</b>	<b>21,210</b>



## Definitions and glossary

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



**Veg of Lund AB (publ)** develops unique plant-based foods meeting consumers' demands for taste and sustainability. The company has roots in research at Lund University and owns patented methods for developing new food categories in the fast-growing market for plant-based foods. Veg of Lund's climate-smart and tasty products are sold in Europe and Asia under the DUG® brand. The company's share is listed on Nasdaq First North Growth Market under the ticker VOLAB. Read more at [ir.vegoflund.se](http://ir.vegoflund.se).

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

### **Business concept**

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.

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#### **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](http://dugdrinks.com).