



Veg of Lund AB obtains bridge facility of up to MSEK 16 to strengthen the company's market position and product development, and issues warrants

Veg of Lund AB (publ) ("Veg of Lund" or the "Company") has entered into bridge facility agreements to strengthen the Company's market position and development of new food products in the dairy and meat categories. With this loan, Veg of Lund has secured an intermediate financing of a maximum of MSEK 16 before transactions costs from five investors, three of whom are shareholders in the Company. The terms stipulate a right for the lenders to convert any outstanding loan and interest into shares in the Company. In connection hereto, the Board of Directors has resolved to issue warrants to some of the lender.

Background

Veg of Lund has entered into bridge loan and bridge loan facility agreements according to which the lenders, consisting of three shareholders and two new investors, have committed to provide loan and loan facility of up to MSEK 16. In addition, the Board of Directors has resolved to issue 300,000 warrants free of charge to some of the lenders.

The bridge facility enables financing of, among other things, the Company's marketing, sales organization and product development. Investments will be made in the respective markets based on its condition and profitability, and where investments provide the greatest return in relation to risk and shareholder value.

The bridge loan from existing shareholders

Veg of Lund has entered a bridge loan of MSEK 6 with three shareholders in the Company; Anders Färnqvist, Drivator Equity AB and Kenneth Eriksson. The interest rate has been set to 10 percent per annum and the loans fall due for payment after 12 months from entering the agreements. Veg of Lund has the right to repay the loans including any incurred interest in advance, by cash or Company shares.

Each lender has the right to convert all or part of the loan, along with any incurred interest, into shares in the Company. Such conversion shall be carried out through a directed issue of shares. Conversion shall be made at a subscription price per share which corresponds to a 20 percent discount compared to a volume weighted average price for the Company's share during a certain period before the conversion.

Terms for the warrants

In connection with the financing, the Board of Directors has, by virtue of the authorization granted by the annual general meeting on 11 May 2022, resolved to issue 300,000 warrants to the three shareholders. Each warrant entitles to subscription of one share in the Company during the period from registration at the Swedish Companies Registration Office and up to and including 30 November 2022. The exercise price per share shall correspond to 60 percent of the volume weighted average price for the Company's share during a period of 10 trading days immediately



preceding the subscription notice. The subscription price must not be less than the quotient value of the Company's shares.

In order to tie the lenders to the Company in the long term, the lenders have entered into agreements on post-sale rights regarding the warrants.

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 2.3 percent.

Bridge loan and loan commitment from new investors

In addition, Veg of Lund has entered into a bridge loan agreement according to which the lenders, consisting of Råsunda Förvaltning AB and Gerhard Dal (the "Investors"), have committed to provide a bridge of up to MSEK 4. The interest rate has been set to 1.5 percent per commenced 30-day period. Furthermore, a 5 percent set-up fee will be issued. The loan falls due for payment 31 December 2022. Veg of Lund has the right to repay the loans, including any incurred interest in advance.

The Investors have the right to convert all or part of the loan, along with any incurred interest, into shares in the Company. Such conversion shall be carried out through a new issue of shares at a subscription price per share corresponding to a 15 percent discount compared to the lowest daily volume weighted average price for the Company's share during a certain period before the conversion.

If the Company carries out issues during the term of the loan, the Investors have the right to set off their claim in such issue. If the loan is not repaid as of the maturity date, the Company shall resolve on an issue of new shares with pre-emption rights for the Company's shareholders, where the Investors shall be given a preferential right to act as guarantors on market terms.

In addition, the Investors has made a loan commitment to Veg of Lund of up to MSEK 6, which can be called off as the loans from the existing shareholders are repaid. The loan commitment can be used in tranches of MSEK 1–2. Veg of Lund can call for a maximum of one tranche per month and the possibility to use the loan commitment runs until 30 November 2022. For any loans called for by the Company through the loan commitment, the same terms apply as for the bridge loan agreement with the Investors described above.

For more information, please contact:

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About Veg of Lund AB (publ)

Veg of Lund 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 the Nasdaq First North Growth Market under ticker VOLAB. Read more at ir.vegoflund.se. Mangold Fondkommission AB is the company's Certified Adviser and can be contacted via telephone: +46 8 5030 15 50 or e-mail: ca@mangold.se.