



## **Veg of Lund AB (publ) obtains bridge facility and issues warrants – prepares for the launch of the company’s proprietary potato milk**

**Veg of Lund AB (publ) (“Veg of Lund” or the “Company”) has today entered into bridge facility agreements with a number of investors. The financing entails that the Company may draw up to SEK 9 million. 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 the lenders. The bridge facility provides the opportunity for the board of directors to actively evaluate different alternatives to secure the Company’s long-term financing.**

### **Background**

Veg of Lund has today entered into bridge loan facility agreement according to which the lenders, Power Heat Holding AB, Anders Färnqvist, Kenneth Eriksson, Thomas Holmgren and Jan Erik Olsson, have committed to, during a period of 12 months, provide a bridge of up to SEK 9 million in tranches of SEK 1.5 million. 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.

”This bridge facility enables the company to carry out the launch of its potato milk, ‘DUG®’, during the first half of 2021. The fact that several of the lenders have been shareholders in Veg of Lund for many years entails both a financial support as well as a support for our long-term business plan and the activities associated with the launch”, comments Torbjörn Clementz, chairman of Veg of Lund.

“As one of the major shareholders, I look forward to launching ‘DUG®’, the plant-based beverage that will take a justified place in the expansive ‘New Food’ market. Veg of Lund has worked methodically to produce a great beverage and I see a strong potential for this and the company’s other products in a strongly growing market. By contributing with a bridge loan, we can ensure financing and liquidity for Veg of Lund in a period of highly planned market activity,” says Thomas Holmgren.

### **The bridge facility**

The bridge facility of up to SEK 9 million is divided in separate tranches of SEK 1.5 million each. The interest rate has been set to 10 percent per annum on the outstanding loan amount. The Company may request payment on up to three occasions under each loan. The loan period is 12 months after which repayment shall be made. Veg of Lund may repay each loan in advance, in part or in full, along with any incurred interest. In addition, 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 not more than a 7.5 percent discount compared to a volume weighted average price for the Company’s share.

### **The warrants**

In connection with the financing, the board of directors has, by virtue of the authorization granted by the extraordinary general meeting on 6 November 2020, resolved to issue 300,000 warrants to the lenders, where each tranche of SEK 1.5 million entitles to 50,000 warrants. Each warrant entitles to subscription of one share in the Company during the period up to and including 30 November 2021. The exercise price per share shall correspond to 70 percent of the volume weighted average price for the Company’s share during a period of 10 trading days before each exercise date.



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.

**For more information, please contact:**

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*This information contains information that Veg of Lund is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person above, on 17 February 2021 at 14:30 pm CET.*

About Veg of Lund

Veg of Lund is a food innovation company rooted in research at Lund University, Sweden. The company has developed a unique, patented method to produce a heat-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. Since 10 February 2020, the company's share is listed on Nasdaq First North Growth Market under the ticker VOLAB. Read more at [www.vegoflund.se](http://www.vegoflund.se). The company's Certified Adviser is Eminova Fondkommission AB, which can be contacted by telephone on +46 8 684 211 10 or by e-mail at [adviser@eminova.se](mailto:adviser@eminova.se).