

# The Board of Directors of DUG Foodtech AB (publ) resolves on a fully guaranteed rights issue of shares of approximately SEK 28 million and raises bridge loans of approximately SEK 3 million

2024-09-11

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11 September 2024, Lund, Sweden

The Board of Directors of DUG Foodtech AB (publ) ("DUG Foodtech" or the "Company") has today, 11 September 2024, resolved on a new issue of a maximum of 82,529,770 shares at a subscription price of SEK 0.34 per share with pre-emption rights for existing shareholders (the "Rights Issue"). Shareholders in DUG Foodtech on the record date have pre-emption rights to subscribe for two (2) new shares in the Rights Issue for each existing share. The Board of Directors' resolution on the Rights Issue is subject to a subsequent approval by an Extraordinary General Meeting intended to be held on 15 October 2024 (the "EGM") and is conditional upon the EGM resolving to change the limits for share capital and the number of shares in the Company's Articles of Association. The Company has received subscription undertakings from existing shareholders, including the Company's Chairman of the Board, senior executives and founders and external investors of a total of SEK 5.55 million, corresponding to approximately 19.8

percent of the Rights Issue. Furthermore, the Company has received underwriting undertakings from mainly external investors as well as the Chairman of the Board through company in the form of a so-called bottom undertaking of SEK 11.3 million, corresponding to approximately 40.3 percent of the Rights Issue (the "Bottom Undertaking") and has received underwriting undertakings from a number of existing lenders in the form of a top undertaking of approximately SEK 11.2 million, corresponding to approximately 40 percent of the Rights Issue, which shall be fulfilled to the extent possible by set-off of claims against the Company (the "Top Undertaking"). The Rights Issue is thus covered up to 100 percent by subscription undertakings and underwriting undertakings. For the Bottom Undertaking, either cash compensation amounting to fifteen (15) percent of the underwritten amount or eighteen (18) percent of the underwritten amount will be paid in the form of newly issued shares in the Company. No compensation will be paid for subscription undertakings and the Top Undertaking. In the event of a fully subscribed Rights Issue, DUG Foodtech will receive approximately SEK 28 million, before deduction of issue costs of approximately SEK 3.6 million, of which approximately SEK 1.7 million is attributable to underwriting compensation, provided that all underwriters choose to receive the compensation in cash. Possible set-off of existing lenders' receivables against the Company amounts to approximately SEK 11.2 million. In order to secure the Company's liquidity needs until the Rights Issue is completed, the Company has entered into bridge loan agreements with three external investors for a total of SEK 3 million on market terms. The main purpose of the Rights Issue is to enable DUG Foodtech's commercial restart by securing working capital going forward and offsetting outstanding loans of the Company, which will further reduce the Company's costs. The company also announces that the interim report for the third quarter will be postponed to 29 November 2024.

## Summary of the Rights Issue

- The Board of Directors of the Company has resolved on the Rights Issue and an Extraordinary General Meeting is proposed to approve the Board of Directors' resolution and amend the limits for shares and share capital in the Articles of Association.
- The Extraordinary General Meeting is intended to be held on 15 October 2024 and the notice is planned to be published through a separate press release on 12 September 2024.
- The Rights Issue entails an issue of a maximum of 82,529,770 new shares at a subscription price of SEK 0.34 per share. The subscription price corresponds to the closing price of the Company's share on Nasdaq First North Growth Market on 11 September 2024, with a discount to the theoretical ex-rights price ("TERP") of approximately 35 percent. Shareholders receive one (1) subscription right for each share owned on the record date and one (1) subscription right entitles the holder to subscribe for two (2) newly issued shares in the Rights Issue.
- The preliminary timetable is as follows: the subscription period for the Rights Issue is expected to run from and including 21 October 2024 up to and including 4 November 2024. The last day of trading in the Company's shares with the right to receive subscription rights is 15 October 2024 and the first day of trading in the Company's shares without the right to receive subscription rights is 16 October 2024. Trading in subscription rights will take place on

Nasdaq First North Growth Market from and including 21 October 2024 up to and including 30 October 2024 and trading in paid subscribed shares ("BTA") will take place on Nasdaq First North Growth Market from 21 October 2024 until the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place on or about 25 November 2024.

- The Rights Issue is covered to 100 percent by subscription undertakings and underwriting undertakings. Subscription undertakings amount to approximately SEK 5.55 million, corresponding to approximately 19.8 percent of the Rights Issue, the Bottom Undertaking amounts to approximately SEK 11.3 million, corresponding to approximately 40.3 percent of the Rights Issue, and the Top Undertaking amounts to approximately SEK 11.2 million, corresponding to approximately 40 percent of the Rights Issue. Neither the subscription undertakings nor the underwriting undertakings are secured by bank guarantees, escrow funds, pledging or similar arrangements.
- Shareholders who choose not to participate in the Rights Issue will have their ownership in the Company diluted by approximately 66.7 percent, based on the number of shares in the Company after the Rights Issue.
- Upon full subscription in the Rights Issue, DUG Foodtech will receive approximately SEK 28 million before issue costs of approximately SEK 3.6 million, of which approximately SEK 1.7 million is attributable to underwriting compensation and before possible set-off of existing lenders' receivables towards the Company, which amount to approximately SEK 11.2 million. The company intends to use the issue proceeds to enable DUG Foodtech's commercial restart by securing working capital going forward and offsetting outstanding loans of the Company, which will further reduce the Company's costs.
- Complete terms and conditions for the Rights Issue as well as other information about the Company will be set out in the information memorandum that is expected to be published on or about 18 October 2024 (the "Memorandum").

#### Background and reasons for the Rights Issue

DUG Foodtech develops unique plant-based foods that meet consumer 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. DUG Foodtech's climate-smart and tasty products are sold in Europe and Asia under the DUG® brand.

Over the past year, the company has implemented extensive cost savings and more than halved operating costs to approximately SEK 1 million per month. In addition, DUG Foodtech has a new recipe, packaging, graphic profile and changed company name to DUG Foodtech, which lays the foundation for the Company's commercial restart. Since the spring, the Company has positioned itself in selected markets in Europe and now sees great interest, especially in Germany where REWE, with its 3700 stores and e-commerce, enables significant growth opportunities. This also increases the opportunities for sales in nearby markets as Germany is a central market for plant products.

Countries in which DUG Foodtech's products are either sold or where listings are awaited are Sweden, Austria, Italy, Poland, Hungary and the Czech Republic.

In order to enable an increased production, warehouse and delivery capacity to meet the increased demand that the Company sees for the products within the framework of DUG® and to intensify marketing and sales activities, and thereby enable DUG Foodtech's commercial restart, the Board of Directors has resolved to carry out the Rights Issue.

In the event of a fully subscribed Rights Issue, DUG Foodtech will receive approximately SEK 28 million, before deduction of issue costs of approximately SEK 3.6 million, of which approximately SEK 1.7 million is attributable to underwriting compensation, provided that all underwriters choose to receive the compensation in cash. Possible set-off of existing lenders' receivables against the Company amounts to approximately SEK 11.2 million.

The Company mainly intends to use the expected net proceeds of approximately SEK 24.5 million for the following purposes stated in order of priority, with the estimated distribution of the issue proceeds stated as a percentage:

- Repayment of bridge loans (12%)
- Working capital (68%)
- Sales and marketing efforts in Europe (20%)

The above is based on that no set-off of claims will take place in the Rights Issue. If set-off is made in the Rights Issue, the percentage for repayment of bridge loans will increase correspondingly and the other two categories will decrease proportionately. It is the assessment of the Board of Directors that the proceeds from the Rights Issue are sufficient to, in accordance with the current business plan, finance the Company during the next 12-month period.

#### Subscription undertakings and underwriting undertakings

DUG Foodtech has in total received subscription undertakings and underwriting undertakings up to approximately SEK 28 million, corresponding to 100 percent of the Rights Issue. Subscription undertakings of a total of SEK 5.55 million, corresponding to approximately 19.8 percent of the Rights Issue, have been received from Marjan Dragicevic (SEK 3.1 million), Mats-Ola Andersson (SEK 1 million), Chairman of the Board Johan Möllerström through companies (SEK 0.75 million), Kerstin Lindell (SEK 0.25 million), founder Eva Tornberg through companies (SEK 0.2 million), CEO Helene Nielsen (SEK 0.15 million) and other senior executives (SEK 0.1 million). In addition, the Company has received underwriting undertakings from mainly external investors, and also from the Chairman of the Board through the Chairman's company, in the form of a Bottom Undertaking of SEK 11.3 million, corresponding to approximately 40.3 percent of the Rights Issue. Furthermore, the Company has received free of charge underwriting undertakings from a number of existing lenders in the form of a Top Undertaking of approximately SEK 11.2 million, corresponding to approximately 40 percent of the Rights Issue, which is intended to be fulfilled through set-off of loans. For the Bottom Undertaking, either a cash compensation of fifteen (15) percent

of the underwritten amount will be paid, corresponding to a maximum total of approximately SEK 1.7 million or eighteen (18) percent of the underwritten amount in the form of newly issued shares in the Company, with the same terms and conditions as shares in the Rights Issue. No compensation will be paid for subscription undertakings or the Top Undertaking. Neither the subscription undertakings nor the underwriting undertakings are secured by bank guarantees, escrow funds, pledging or similar arrangements.

#### Change in share capital, number of shares and dilution

Through the Rights Issue, the number of shares in DUG Foodtech will increase by a maximum of 82,529,770 shares, from 41,264,885 shares to 123,794,655 shares and the share capital will increase by a maximum of SEK 5,281,905.280, from SEK 2,640,952.640 to SEK 7,922,857.920. For existing shareholders who do not participate in the Rights Issue, this entails, if fully subscribed, a dilution effect of approximately 66.7 percent of the votes and capital in the Company.

#### Extraordinary General Meeting

The Board of Directors' resolution on the Rights Issue is conditional upon subsequent approval by an EGM scheduled to be held on 15 October 2024 and is conditional upon the EGM resolving to change the limits for share capital and the number of shares in the Company's Articles of Association. Notice of the EGM will be published through a separate press release.

#### Bridge Loan

In order to secure the Company's liquidity needs until the Rights Issue is completed, the Company has entered into a bridge loan agreement with three external investors which amounts to a total of SEK 3 million. As compensation for the bridge loans, an arrangement fee of 5.0 percent and a monthly interest rate of 1.75 percent are paid. The bridge loans shall be repaid in connection with the registration of the Rights Issue.

#### Information memorandum

Complete terms and instructions for the Rights Issue as well as other information about the Company will be set out in the Memorandum that will be published before the subscription period begins. The Memorandum and application forms will be made available on the Company's website:

**[www.ir.dugdrinks.com](http://www.ir.dugdrinks.com)**.

#### Preliminary timetable for the Rights Issue

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12 September 2024  
15 October 2024

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Publication of notice of Extraordinary General Meeting  
Extraordinary General Meeting

15 October 2024	Last day of trading including the right to receive subscription rights
16 October 2024	First day of trading excluding the right to receive subscription rights
17 October 2024	Record date for participation in the Rights Issue
18 October 2024	Publication of the Memorandum
21 October - 30 October 2024	Trading in subscription rights on Nasdaq First North Growth Market
21 October - 4 November 2024	Subscription period
21 October 2024 - 25 November 2024	Trading in BTA will take place on Nasdaq First North Growth Market from 21 October until the Rights Issue has been registered with the Swedish Companies Registration Office, which is expected to take place on or about 25 November 2024.
6 November 2024	Estimated date for announcement of the outcome of the Rights Issue

#### Advisors

Nordicap Corporate Finance AB ([www.nordicap.se](http://www.nordicap.se)) is acting as financial advisor and Fredersen Advokatbyrå AB is acting as legal advisor to DUG Foodtech in connection with the Rights Issue. Aqurat Fondkommission AB ([www.aqurat.se](http://www.aqurat.se)) is acting as issuing agent.

This press release contains information that DUG Foodtech AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 2024-09-11 at 19:30 CEST.

For further information, please contact:

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#### About DUG Foodtech

DUG Foodtech will be the natural choice for all actors in the transition to plant-based foods. The company's business concept is to use its own patented methods, innovative solutions and knowledge to develop and sell products that the market demands. In order for the food industry to achieve its set climate goals, changes are required. The company contributes through its investment in plant-based foods with a low climate footprint, raw materials that are easy to grow and available, and have health benefits for the end consumer. The company and its well-established partners in prioritized markets and channels provide the conditions to grow in a global market, valued at USD 100 billion. The share is listed on Nasdaq First North and is traded under the name DUG. Read more at [ir.vegoflund.se](http://ir.vegoflund.se).

Mangold Fondkommission AB is the company's Certified Adviser and can be contacted by phone: 08-5030 15 50 or e-mail: [ca@mangold.se](mailto:ca@mangold.se).

#### Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe for or otherwise trade in shares, warrants or other securities in DUG Foodtech. No action has been taken and no action will be taken to permit an offer to the public in any jurisdiction other than Sweden. Any invitation to the persons concerned to subscribe for shares in DUG Foodtech will only be made through the Memorandum, which will be published by the Company on or about 18 October 2024 on the Company's website, [www.ir.dugdrinks.com](http://www.ir.dugdrinks.com). The Memorandum does not constitute a prospectus within the meaning of the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "Prospectus Regulation") and has not been reviewed, registered or approved by the Swedish Financial Supervisory Authority. The offer in the Memorandum is exempt from the prospectus obligation in accordance with Article 3 (2) of the Prospectus Regulation and Chapter 2. Section 1 of Act (2019: 414) with supplementary provisions to the EU Prospectus Regulation due to the amount offered by the Company to the public during a twelve-month period being less than EUR 2.5 million. This press release is not a prospectus within the meaning of the Prospectus Regulation and thus it neither identifies nor purports to identify risks (direct or indirect) that may be associated with an investment in shares, warrants, or other securities in DUG Foodtech. Any investment decision should, in order for an investor to fully understand the potential risks and rewards associated with the decision to participate in the Rights Issue, be made solely based on the information contained in the Memorandum. Thus, an investor is advised to read the entire Memorandum.

The information in this press release may not be announced, published or distributed, directly or indirectly, within or into the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where such action would be unlawful, subject to legal restrictions or require other measures than those required by Swedish law. Actions in violation of this instruction may constitute a violation of applicable securities legislation. No shares, warrants or other securities in DUG Foodtech have been registered, and no shares, warrants or other securities will be registered, under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred, directly or indirectly; in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with the securities laws of the relevant state or other jurisdiction of the United States.

Within the European Economic Area ("EEA"), no offer of shares, warrants or other securities ("Securities") is being made to the public in any country other than Sweden. In other member states of the European Union ("EU"), such an offer of Securities may only be made pursuant to the exemptions in the Prospectus Regulation (EU) 2017/1129. In other countries in the EEA that have implemented the Prospectus Regulation into national law, such an offer of Securities may only be made pursuant to exemptions in the Prospectus Regulation and in accordance with any

relevant implementing measures. In other countries in the EEA that have not implemented the Prospectus Regulation in their national law, such an offer of Securities may only be made in accordance with the applicable exemption in their national law.

In the United Kingdom, this document, and any other materials relating to the securities referred to herein, are only being distributed and directed at, and any investment or investment activity relating to this document is only available to, and will only be available to, qualified investors (within the meaning of the UK version of Regulation (EU) 2017/1129 which forms part of UK law by the European Union (Withdrawal) Act 2018) who are (i) persons who have: professional experience in investment matters falling within the definition of "investment professionals" in section 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) "high net worth entities" etc. referred to in Article 49(2)(a) to (d) of the Regulation; or (iii) such other persons to whom such investment or investment activity may lawfully be directed under the Regulation (all such persons together being referred to as "Relevant Persons"). An investment or investment measure to which this announcement relates is only available in the United Kingdom to relevant persons and will only be made with relevant persons. Persons who are not relevant persons shall not take any action based on this document, nor act or rely on it.

This press release may contain certain forward-looking statements that reflect the Company's current view of future events and financial and operational developments. Words such as "intend", "estimate", "expect", "may", "plan", "believe", "estimate" and other expressions that imply indications or predictions regarding future developments or trends, and that are not based on historical facts, constitute forward-looking statements. Forward-looking statements are by their nature subject to both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not constitute a guarantee of future results or development and actual results may differ materially from those expressed in forward-looking statements.

**<https://news.cision.com/dug-foodtech-ab--publ-/r/the-board-of-directors-of-dug-foodtech-ab--publ--resolves-on-a-fully-guaranteed-rights-issue-of-shar,c4036327>**