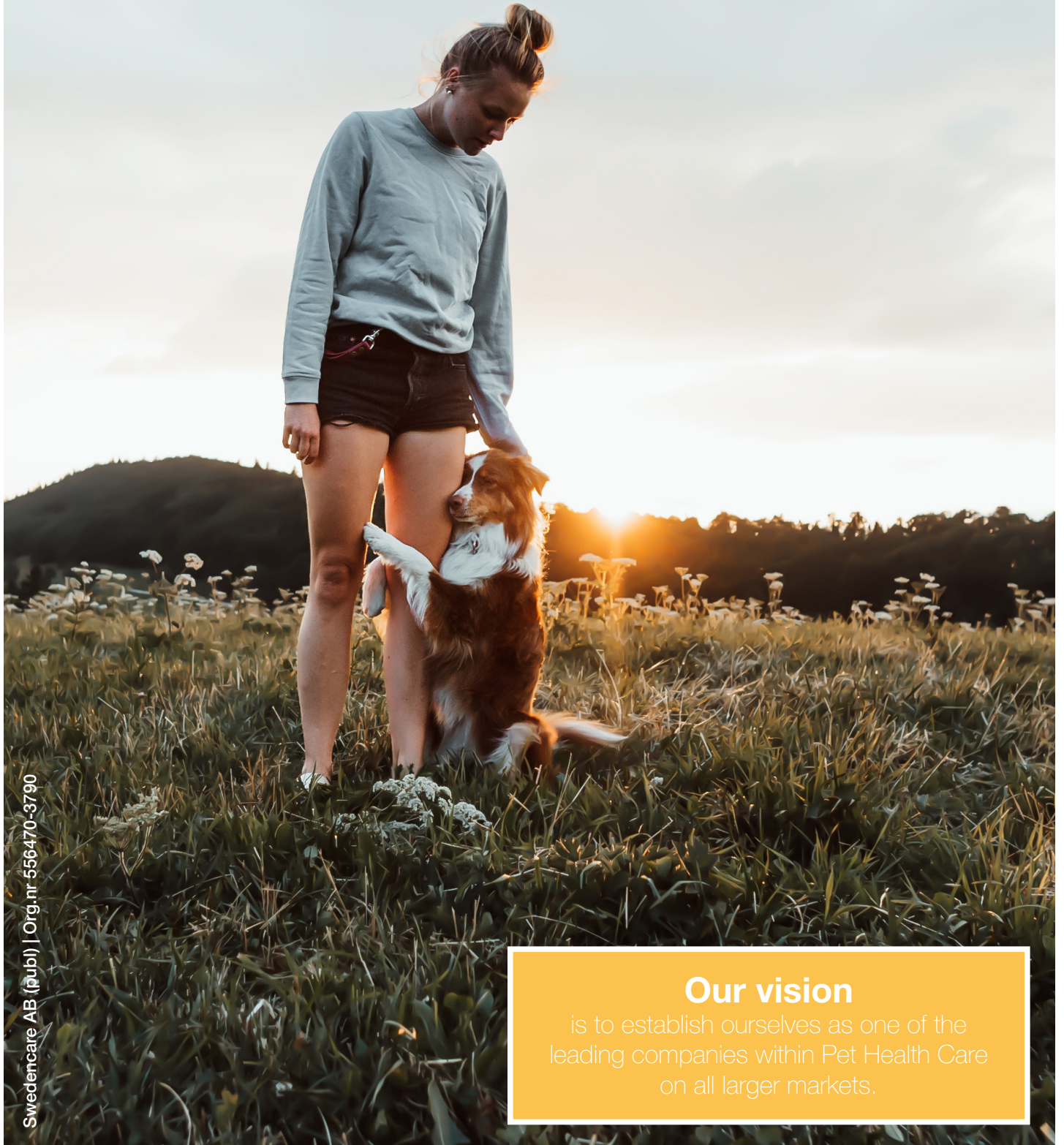


Half year report

April - June 2023



Swedencare AB (publ) | Org.nr 556470-3790

Our vision

is to establish ourselves as one of the leading companies within Pet Health Care on all larger markets.



This is Swedencare

Swedencare develops, produces, markets, and sells premium products in the global and fast-growing market for animal health care products for cats, dogs, and horses. The company has an extensive product portfolio with strong brands, such as NaturVet®, Innovet, Pet MD®, Animal Pharmaceuticals®, nutravet® and ProDen PlaqueOff® for oral health, the brand it all began with. Swedencare has its head office in Malmö and the company's products are currently sold in about 60 countries to veterinarians, pet stores and online via a distribution network containing subsidiaries in nine countries and an international network of retailers. Swedencare's revenue has increased significantly over the last few years with strong margins and results.

Vision

Swedencare is established in all major markets as an innovative and reliable pet healthcare company. With a global presence and channel strategy as well as a broad portfolio of well-functioning Pet Health Care products for the most important therapy areas, it is **our vision to establish ourselves as one of the leading companies within Pet Health Care on all larger markets.**

Financial objective

Swedencare's financial objective is to achieve revenues of 4 billion SEK during 2026 with an EBITDA-margin exceeding 30%. The financial objective will be achieved primarily through organic growth.

Dividend

Swedencare will pay a dividend that takes into consideration the group's earnings performance and the need for consolidation, investments, liquidity, and financial position. The goal is to pay a dividend of 40 percent of profit after tax.

For 2022 the Board decided a dividend of 0.22 SEK (0.20 SEK) per share.



Mission

We care about improving the health and wellbeing of pets, creating reassurance for the pet parents, worldwide and throughout life.

Sales record and 9% organic growth

Summary of the period

Numbers in parentheses refers to outcomes during the corresponding period of the previous year.

Second quarter: April 1st – June 30th, 2023

- Net revenue amounted to 572.1 MSEK (470.9 MSEK), corresponding to an increase of 21%
- Organic, currency-adjusted growth amounted to 9% (4%)
- Operational EBITDA amounted to 119.5 MSEK (123.2 MSEK), corresponding to a decrease of 3% and an operational EBITDA margin of 20.9% (26.2%)
- Operational EBITA amounted to 99.9 MSEK (107.5 MSEK), corresponding to a decrease of 7% and an operational EBITA-margin of 17.5% (22.8%)
- Operational EBIT amounted to 98.5 MSEK (107.3 MSEK), corresponding to a decrease of 8% and an operational EBIT-margin of 17.2% (22.8%)
- Profit after tax amounted to 16.3 MSEK (60.2 MSEK)
- Earnings per share calculated on 158 731 900 shares (158 111 805 shares) amounted to 0,10 SEK (0,38 SEK)
- Cash flow from operating activities amounted to 81.5 MSEK (15.7 MSEK). 50 MSEK has been amortized on the debts to credit institutions
- As of June 30th 2023 cash amounted to 197.6 MSEK (235.5 MSEK)

First half year: January 1st – June 30th, 2023

- Net revenue amounted to 1095.3 MSEK (848.6 MSEK), corresponding to an increase of 29%
- Organic, currency-adjusted growth amounted to 10% (6%)
- Operational EBITDA amounted to 226.8 MSEK (217.9 MSEK), corresponding to an increase of 4% and an operational EBITDA-margin of 20.7% (25.7%)
- Operational EBITA amounted to 189.3 MSEK (189.6 MSEK), and an operational EBITA-margin of 17.3% (22.3%)
- Operational EBIT amounted to 185,9 MSEK (189.1 MSEK), corresponding to a decrease of 2% and an operational EBIT-margin of 17,0% (22.3%)
- Profit after tax amounted to 33.5 MSEK (74.9 MSEK)
- Earnings per share calculated on 158 731 900 shares (152 325 798 shares) 0.21 SEK (0.49 SEK)
- Cash flow from operating activities amounted to 181.9 MSEK (65.9 MSEK)
- Exchange gains amounted to 1.0 MSEK (7.2 MSEK)

Significant events during the second quarter

Symrise has published a mandatory tender offer to the shareholders of Swedencare after having acquired an additional 2,300 shares in Swedencare AB (publ) and that Symrise's holding has reached the equivalent of 30 percent of the number of shares and votes in Swedencare AB. The Board of Directors, excluding the representatives from Symrise, recommends the shareholders of Swedencare not to accept the mandatory cash offer made by Symrise AG.

MWI Animal Health® has acquired the exclusive rights to market and sell the Stratford Care Brand in the US.

Swedencare has made an addition to the group management team with Laszlo Varga as Swedencare's European Commercial Officer who starts August 15th.

Significant events after the second quarter

There are no significant events after the end of the second quarter to comment on.

Words from the CEO

The second quarter's net revenue of 572.1 MSEK represents a 21% increase compared to Q2 2022, marking our strongest quarter ever. At the same time, our operational EBITDA is 119.5 MSEK, corresponding to a margin of 20.9%. Our strong cash flow during the quarter enabled a total of 105 MSEK in paid dividends, payment for an acquisition, and amortizations.

Our organic growth of 9% is stronger than the market, confirming that our strategy of working with long-term partnerships is generating sales. The inventory clearances that significantly affected us in 2022 had during Q2 2023 an impact on some companies within the group but are now mostly over, which is why we expect an even stronger organic growth in the second half of the year. The last month of the quarter, witnessed just like the previous one, our highest sales ever. Regarding our different sales channels, Online and Pet Retail are stronger, while the Veterinary channel remains somewhat slow. Our new strategic veterinary collaborations, Patterson, which we announced in March, and the new agreement with MWI communicated in June, have required training and preparatory work during the past six months and are expected to result in increased sales from this quarter onwards when their respective sales force promotes our new co-operation to over 20 000 veterinary clinics.



Strong growth with a slightly lower margin

Our margin was negatively affected during the quarter due to the restructuring in Vetio South, which cost more and took longer than expected. Most of the work is now completed and it will show in the profitability going forward. Also, Vetio North delivered lower profitability than anticipated due to the project mix and project delays. However, during the quarter, we signed several new customers, which strengthens the base for continued growth with improved profitability. Vetio North now has customers from five continents, demonstrating both the global demand in the development of pet pharma and our position as experts in developing high-quality products. It also highlights the strong customer interest in our patented Soft chew process. The margin has also been negatively impacted by our strong growth in the Online channel, where the major platforms have considerably raised their sales fees. I expect the measures we have taken during the quarter, along with others planned throughout the year, will lead to a margin improvement in the future.

Acquire interesting concept

During the quarter, we acquired an exciting and newly established company focused on a membership concept for veterinary clinics in the USA, Vet Buyers Direct. The concept offers member clinics favorable prices and access to high-quality products for a monthly subscription fee.

NaturVet® and ProDen PlaqueOff®

Our largest brand, NaturVet®, had a record quarter with the successful launch of its new product line "Scoopables." The launch is deemed the best ever, and some of the largest chains have yet to introduce the line. ProDen PlaqueOff® continues its strong development, growing by 45% during the quarter compared to the same period last year. The strongest growth is seen online in both the UK and the USA, but our flagship product also shows good growth in other channels worldwide.

Mandatory tender offer

During the quarter, Symrise presented a mandatory tender offer since they exceeded a 30% ownership stake, offering 37.50 SEK per share. The acceptance period has now expired, and I, along with many other major shareholders, have not accepted the offer because we are convinced that we will build significantly higher shareholder value in the coming years. I look forward to continuing the growth journey we have embarked on together with Symrise and all of you.

Satisfied employees

During the quarter, we conducted a global employee survey for the first time, the results of which we will work with throughout the year in our various companies. At group level, we are clearly above average in employee satisfaction and willingness to recommend our workplace. This result is something I both hoped for and expected as I often travel and visit our group companies, meeting engaged and committed colleagues. After the summer, Laszlo Varga, our new CCO Europe, will join us as an important addition to our group management team, crucial for capitalizing on all the business opportunities we see ahead of us.

Thank you for this time, and I hope you all have a wonderful summer!

Håkan Lagerberg, CEO
Malmö July 27th, 2023

Net revenue
572.1 MSEK

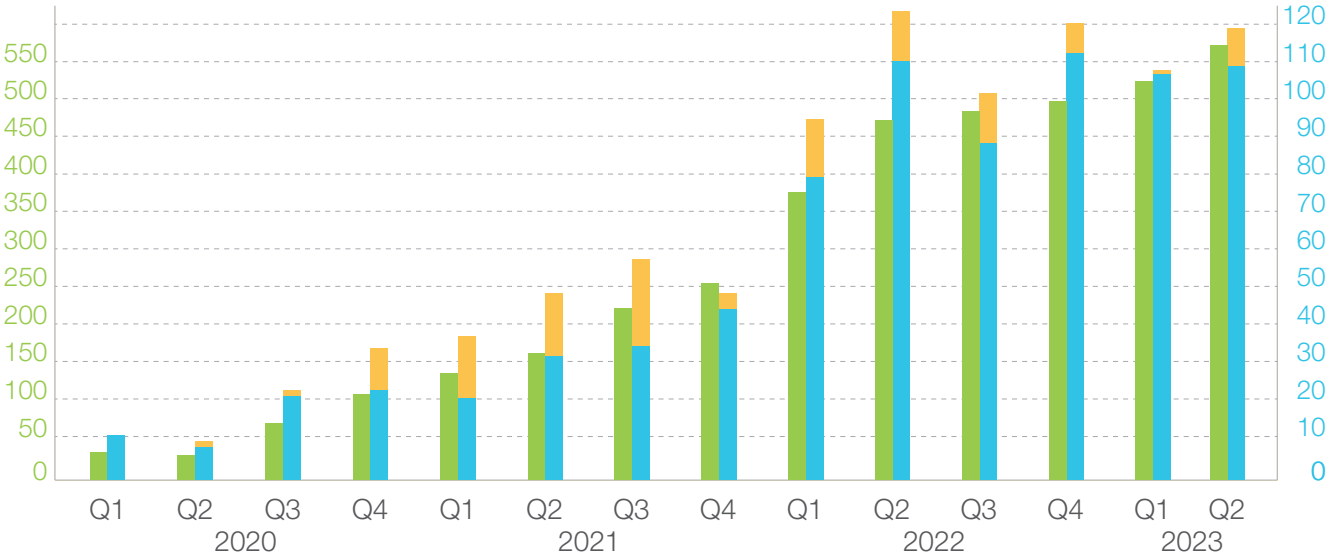
Change in
net revenue
21%

Operational
EBITDA
119.5 MSEK
Margin
20.9%

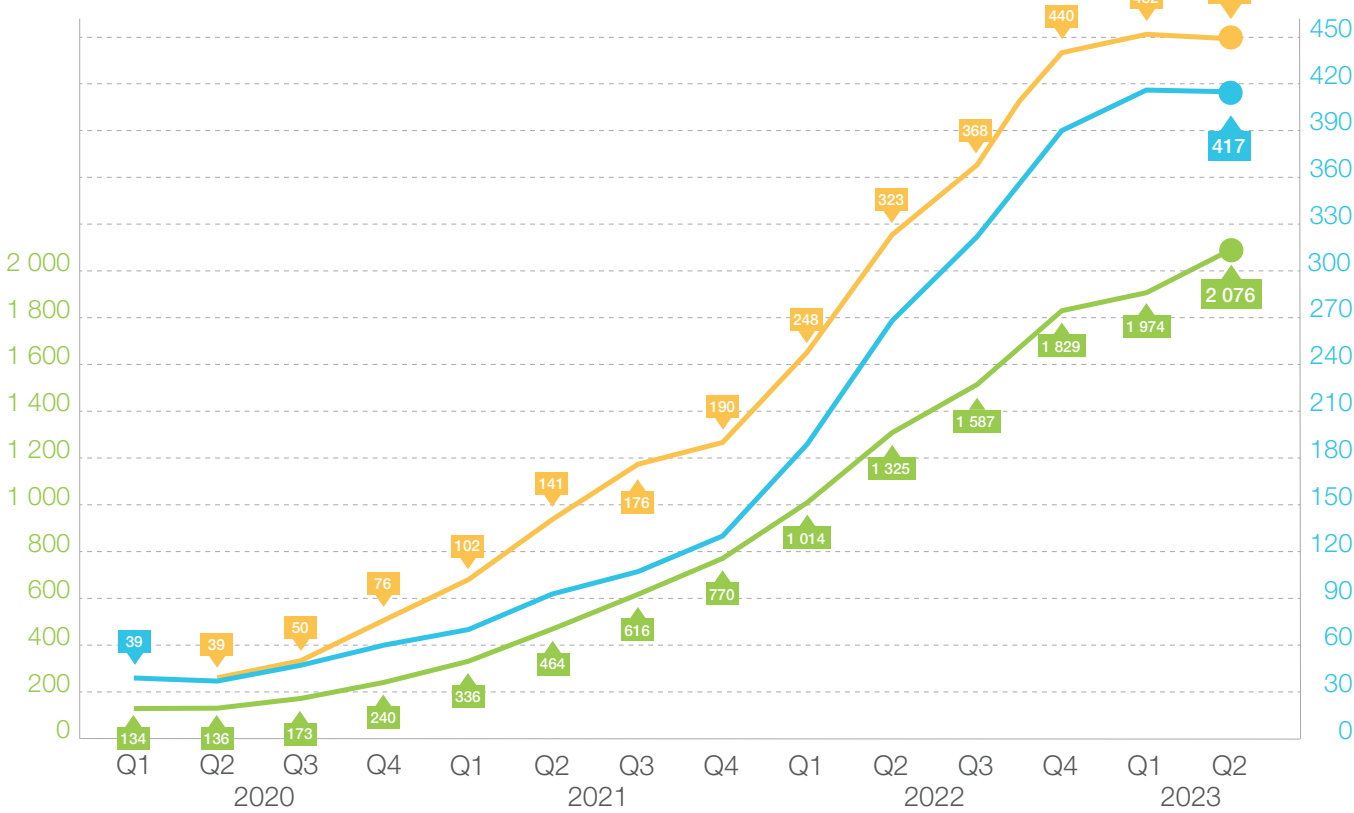
Cash
197.6 MSEK

Development 2020 - 2023

Quarterly history of net revenue and EBITDA (MSEK)



Rolling four quarters - net revenue and EBITDA (MSEK)



■ Net revenue
 ■ EBITDA
 ■ Operational EBITDA
 Additional KPI's and definitions can be found on page 19-21.

Comments

- Financial development

Q2 2023

Net revenue

Net revenue amounted to 572.1 MSEK (470.9 MSEK), which corresponds to an increase of 21%. The growth is divided into 9% organic growth, 1% acquired growth, 2% change in accounting estimates and 9% currency impact. Net revenue continues to increase quarter by quarter, the increase was 9% compared to the previous quarter. This with an unchanged company structure, excluding CVP which was acquired on November 1st and Vet Buyers Direct which was acquired on April 3rd, which contributed with 6.8 MSEK during the quarter.

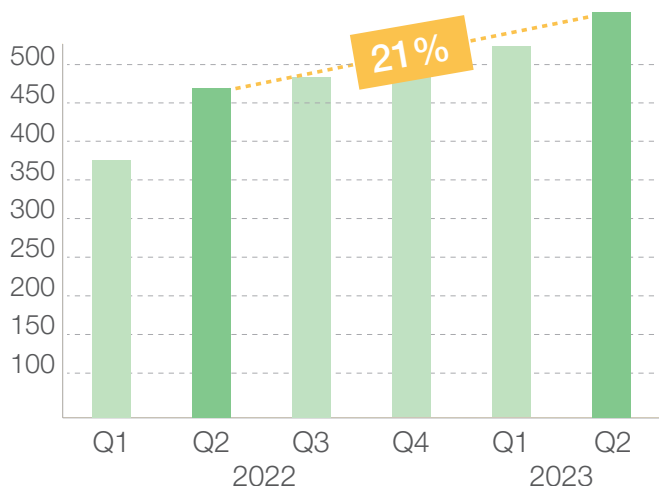
The North American market has strong growth, where several collaborations and launches yielded results during the quarter. Sales via Amazon have also broken new records during the quarter, which shows a strong underlying demand.

Geographical distribution

The market share for the North American market as part of the group, increased by 25% and represents 80% (78%) of the group's total net revenue. During the quarter, a successful launch of Scoopables, a new product group from NaturVet, took place as well as first deliveries under the new agreement with Patterson, which had a positive impact on sales. At Amazon, we continued to both grow with existing and launch new products. One example is that during February we launched a new organic chew for dogs where sales for the quarter exceeded 6 MSEK.

Worth noting is that total ProDen PlaqueOff® products sold online in the US in the first 6 months of the year have already surpassed full year 2022 sales. Despite strong growth in the market, our contract manufacturing is still affected by lower inventory levels with mainly veterinary customers.

Total net revenue



H1 2023

Net revenue

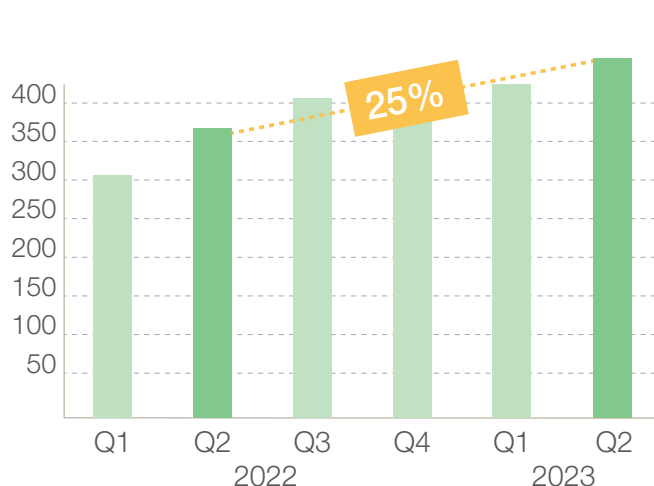
Net revenue for the first half of the year amounted to 1,095.3 MSEK (848.6 MSEK), which corresponds to an increase of 29%. The growth is divided into 10% organic growth, 10% acquired growth and 9% currency impact.

During the first half of the year, all markets have shown growth, partly organically and partly from the acquisitions made in the USA and Italy. The North American market continues to grow its share of the group's total net revenues, partly with the acquisition of NaturVet which was completed in February 2022 and partly by organic growth in Pet Retail and the Online channel. Online also has good growth in Europe with Amazon's eight markets in Europe (EU8) where sales in the first half of the year exceed sales of the full year 2022.

Geographic distribution

North America has increased its market share of the group by two percentage points compared to the corresponding period last year and represents 81% (79%) of the group's total revenues. The growth in this market share is mainly attributed to the acquisition of NaturVet which was carried out in Q1 2022 and good growth for the online channel.

North America – 80% of total net revenue



Q2 2023

Geographic distribution - cont.

Despite a growth increase of 16%, the group's market share for the European market has decreased by a percentage and represents 18% (19%) of the group's total net revenue. The growth in Europe is mainly affected by a recovery in Greece and strong online sales. The acquisition of CVP, which took place in November 2022, has so far had limited impact as the majority of sales are expected in the second half of the year.

Rest of the world has decreased by 19% compared to the corresponding quarter previous year and represents 2% (3%) of the group's total net revenue. The decrease is mainly explained by uneven deliveries to Asia between the quarters, where several distributors order a few times a year. At the same time the sales to Rest of the World had good growth mainly with orders to several countries in South America.

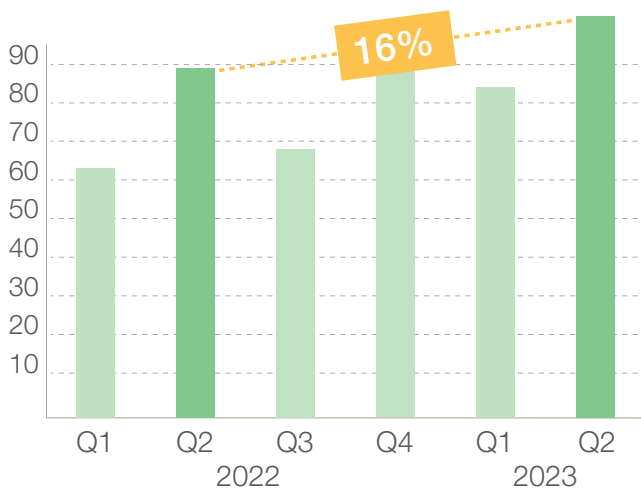
H1 2023

Geographic distribution - cont.

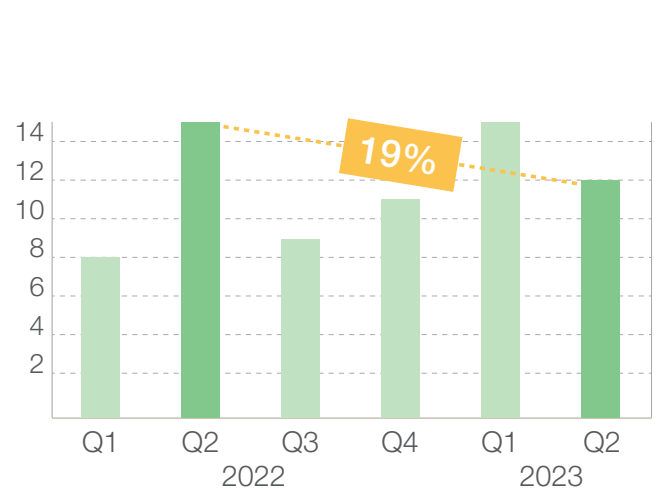
Growth in Europe is partly affected by the acquisitions of Innovet which was carried out in Q1 2022 and CVP in Q3 2022, and partly by good recovery and growth from the majority of markets. Swedencare UK continues to have strong growth by surpassing the Q1's record sales by 7% and thereby recording its two best quarters ever in H1 2023.

The Rest of the World has shown a growth of 15% for the first half of the year in comparison with the corresponding period last year. The increase is explained by the sales of ProDen PlaqueOff® to the export markets in South America which has taken off and by the nutravet® brand whose sales have increased in the Asian market share of the group.

Europe – 18% of total net revenue



Rest of the World – 2% of total net revenue



Q2 2023

Product and brand distribution

Except for Topicals/Dermatology, all product groups have seen growth during the quarter. The Nutraceuticals product group has presented growth of 32% compared to the corresponding period last year and represents the group's largest product group with 55% of the revenue. The increase is mainly attributed to NaturVet's record quarter and also partly to CVP which was acquired during Q3 2022 and to Vetio South's soft chew production that falls under Nutraceuticals. The group's other companies have also increased their sales in this category, which has had a positive effect on the growth of the Nutraceuticals.

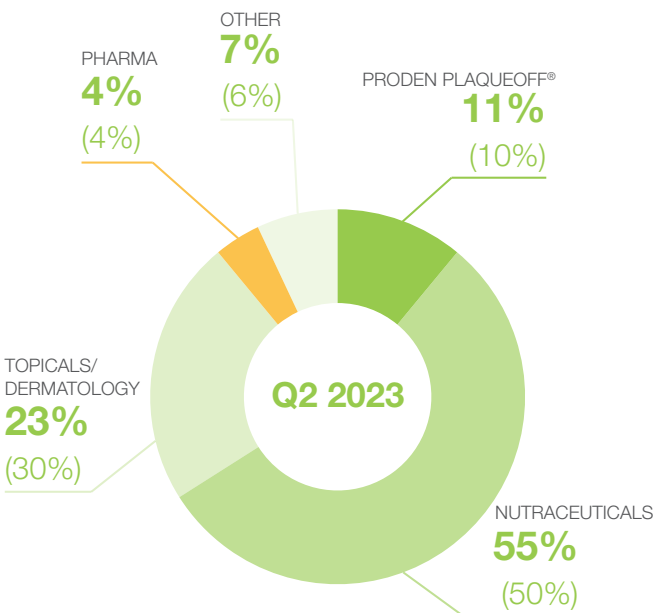
During the quarter, ProDen PlaqueOff® had a growth of 45% and represents 11% (10%) of the group's total revenue where all subcategories of the product group have presented strong growth. It is primarily ProDen PlaqueOff® Powder that is driving the increase as it is well suited for online trading and is launched in new chains, but also Soft Chews, the latest ProDen PlaqueOff® product, has had sales during the quarter that for the period are over 50% higher than during the full year 2022.

Pharma sales (contract development and manufacturing) had a growth of 24% and continue to represent 4% of the group's total net revenue.

The Topicals/Dermatology product group has decreased in comparison to the corresponding period last year and represents 23% (30%) of the group's total net revenue. The decrease is mainly attributed to redistribution of products between categories and lower sales of contract manufacturing to the veterinary sector.

During Q2 2023, sales were distributed by product category according to the graphic.

Numbers in parentheses refers to outcomes during the corresponding period of the previous year.

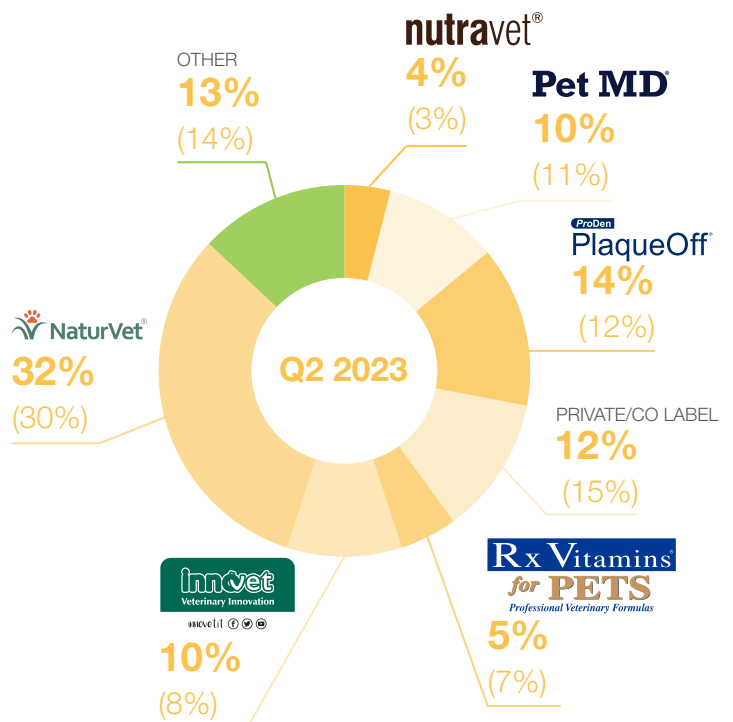


H1 2023

Product split

Swedencare has through the combined acquisitions created a broad product portfolio with several strong brands. Nutraceuticals represent the group's largest product category at 52% (48%) and has shown a growth of 41% compared to H2 2022, which is mainly explained by the fact that the majority of NaturVet, Innovet and CVP's sales are products in this category. ProDen PlaqueOff® increased by 51% in the first half of the year and represents 12% (10%) of the group's total net revenues.

During Q2 2023, sales were distributed by brand according to the graphic.



*Does not include contract manufacturing

Q2 2023

Profit

The operating gross margin during the quarter amounted to 54.7% (58.9%), mainly affected by continued challenges to optimize production as well as less and delayed development projects that have a higher margin than the average. During the quarter, there have also been higher costs in connection with the launch of NaturVet's new product line Scoopables. The external costs are mainly affected by higher marketing costs linked to Amazon sales, which had record sales during the quarter, as well as several expos took place during the quarter. The external costs amount to 20% of the total net revenue, which is a marginal difference compared to the previous quarter but in line with the previous year. The operational operating profit before amortization (EBITA) amounted to 99.9 MSEK (107.5 MSEK), which corresponds to an operational EBITA-margin of 17.5% (22.8%). The adjustments include onetime costs in connection with change in accounting estimates for inventory value of 9.7 MSEK, Symrise AG's mandatory bid of 0.4 MSEK and acquisition costs of 0.2 MSEK.

Exchange rate variations affected the period's profit with an exchange rate gain of 2.8 MSEK (6.8 MSEK) due to the stronger USD, EUR and GBP currency. During the quarter, the interest costs for loans taken out in connection with the acquisitions amounted to 20.8 MSEK (5.5 MSEK). The higher interest expense compared to the previous quarter (17.0 MSEK) is affected by the higher interest rate.

The net income for the quarter amounted to 16.3 MSEK (60.2 MSEK) corresponding to a profit margin of 2.8% (12.8%). Earnings per share for the second quarter of 2023 amounted to 0.10 SEK (0.38 SEK) calculated on the weighted average number of shares, 158 731 900 (158 111 805) as of June 30th, 2023.

Cash flow

Cash flow from current operations after changes in working capital amounted to 81.5 MSEK (15.7 MSEK) during the second quarter of 2023. The change in working capital during the quarter had an immaterial effect on the cash flow from current operations (-1.4 MSEK compared to -94.0 MSEK in the corresponding period of the previous year) despite increased revenue during the quarter and mainly during the month of June.

On April 3rd, 2023, the cash purchase price was paid, on a debt- and cash-free basis, for the acquisition of Vet Buyers Direct, Inc. Other investments of tangible and intangible assets during the quarter amounted to 9.8 MSEK (21.8 MSEK), which mainly includes investments in the two major production facilities in California and Canada.

During the quarter, the dividend for 2022 was paid, which affected the cash flow by 0.22 SEK per share or a total of 34.9 MSEK. The total interest-bearing liabilities have been reduced through amortization by 50.0 MSEK during the quarter. During the second quarter of 2023, the cash flow amounted to -42.3 MSEK (-50.8 MSEK).

H1 2023

Profit

The operating gross margin of 54.7% for the period can be compared with 57.4% in the corresponding period last year and 57.5% for the full year 2022. The lower gross margin is mainly affected by continued challenges to optimize production as well as less and delayed development projects which have a higher margin than the average, hence negatively impacting the profit. The external costs are affected by an expo-intensive first half of the year and market costs in connection with direct sales to the large online platforms, which represent a major part of the total external costs during the first half of the year. The operational operating profit before amortization of intangible assets (EBITA) for the first half of the year amounted to 189.3 MSEK (189.6 MSEK), corresponding to an operational EBITA margin of 17.3% (22.3%). The adjustments include onetime costs in connection with change in accounting estimates for inventory value of 9.7 MSEK, Symrise AG's mandatory bid of 0.4 MSEK, acquisition costs of 0.3 MSEK, and a non-cash flow-affected inventory value adjustment of 0.5 MSEK.

Of the 37.5 MSEK (28.3 MSEK) depreciation of tangible assets, 19.3 MSEK (14.8 MSEK) is attributable to IFRS16. Exchange rate variations affected the period's profit with an exchange rate gain of 1.0 MSEK (7.2 MSEK). During the first half year, the interest costs for loans taken out in connection with the acquisitions amounted to 37.8 MSEK (9.6 MSEK). The net income during the first half year amounted to 33.5 MSEK (74.9 MSEK), corresponding to a profit margin of 3.1% (8.8%).

Cash flow

For the first half of the year, cash flow from current operations amounted to 181.9 MSEK (65.9 MSEK). The change in working capital during the first half of the year positively affected the cash flow from current operations by 15.3 MSEK (121.0 MSEK).

For the first half of the year, investments of material and intangible assets amounted to 20.9 MSEK, which corresponds to less than half compared to the corresponding period last year (43.5 MSEK). The total interest-bearing liabilities have decreased by 50.0 MSEK during H1 through amortization. For the first half of the year, the cash flow amounted to -55.6 MSEK (89.4 MSEK).

Re-examination of tax loss carry-forwards together with company structural change in the USA that was carried out in 2022 as well as tax write-offs on NaturVet's surplus values are expected to have a positive impact on the result also in 2023. In 2022 this resulted in utilized tax write-offs of 222.3 MSEK (21.3 MUSD) which means 0% in tax cost. This meant a lower tax of 52.2 MSEK (5 MUSD) for 2022 compared to an average tax rate of 23.75%. The assessment is that previous losses and deferred tax receivables from previous years will be able to be used and positively affect the result to the same extent for the next 14 years.

Other financial comments

Financial position

Swedencare's equity as of June 30th, 2023, amounted to 7,860.3 MSEK (7,262.1 MSEK), of which 1.6 MSEK (1.6 MSEK) is restricted equity. As of June 30th, 2023, Swedencare's cash and cash equivalents amounted to 197.6 MSEK (235.5 MSEK), the group had on the same date, interest-bearing long-term and short-term liabilities of a total of 1,845.4 MSEK (1,613.5 MSEK). As of June 30th, 2023, Swedencare had a net debt of 1,647.8 MSEK (1,378.0 MSEK).

Personnel

As of June 30th, 2023, Swedencare had a total of 499 employees spread over Sweden (13), England (32), Italy (17), France (2), Greece (11), Ireland (17), Spain (2), the United States (351) and Canada (54). The gender distribution is 48% women and 52% men. As of June 30th, 2022, Swedencare had a total of 513 employees.

Financing

Swedencare's debts to credit institutions amounted to 1,593 MSEK as of June 30th, 2023. The group has a Revolving Credit Facility (RCF) of 1,000 MSEK, of which the utilized amount amounted to 775 MSEK as of June 30th, 2023. The amount used is divided into four withdrawals which fall due at 3-month intervals and run at variable interest (STIBOR+margin) linked to net debt. The weighted average interest rate as of June 30th was 5.26%. The revolving loan extends to September 2024 with the possibility of two extension options of one year at a time, which gives a possible final maturity in September 2026. As of June 30th, the group has unused credit facilities of 225 MSEK.

The remaining loan to credit institutions is a term loan of 818 MSEK. The agreement extends to September 2024 with the possibility of two extension options with one year at a time, which gives a possible final maturity in September 2026. The loan runs at a variable interest rate (STIBOR+margin). The weighted average interest rate as of June 30th was 5.60%.

The financial covenants are Net Debt to EBITDA ratio as well as ratio of EBITDA to Interest Payable. As of June 30th, 2023, the reported net debt amounted to in relation to EBITDA to 3.4. Swedencare has, for all reconciliations, fulfilled the covenants set by the bank in connection with loans.



Swedencare's Sustainability Work

For Swedencare, sustainability means that we take long-term responsibility for the environmental, social, and financial impact that our operations have on our planet. We are working to implement a structure that ensures that we reduce our impact as far as possible. Swedencare closely follows the development of sustainability-related issues, risks, and developments. The risks are identified, managed, and analyzed systematically by management. Our sustainability work is clearly anchored in the global development goals adopted by the UN General Assembly with the aim of achieving a better and more sustainable future for everyone. We have chosen to focus on the five goals where we, as a producer of health care products for pets, have a direct or indirect impact and which can affect sustainability throughout the entire value chain: Gender equality, Decent working conditions and economic growth, Responsible consumption and production, Climate action and Life below water.

During the second quarter, some examples of our focus on sustainability are:

We have implemented our sustainability policy, Code of Conduct for employees and Code of Conduct for suppliers. Guidelines have been issued and implementation is ongoing throughout the group.

Motivated employees are our most important asset, we work continuously with work environment issues to promote good health and safety and ensure that development and improvement potential are identified, therefore an anonymous employee survey has been conducted with all our employees in the group. The survey showed a high value for both employee satisfaction and willingness to recommend Swedencare as a workplace.

We aim to reduce the group's water consumption by finding more environmentally friendly solutions. During the quarter we have introduced a new process to clean totes in one of our production facilities which resulted in lower water consumption.

The severe floods that hit the Emilia Romagna region in Italy also affected many dog and cat shelters that are in need of help. In cooperation with a local rescue association, we organized two collection points to collect useful items such as blankets and pet food, which we have donated to the affected homes.

We sponsored the LaStrabassotti walking race, a non-competitive walking race, to raise donations for a charity rescue to save Dachshund dogs. During the quarter, we also sponsored the Humane Society Petswalk/Run, where Swedencare products were distributed to all participants.

Our brand, NaturVet® was certified by Friend of the Sea, a project of the World Sustainability Organization for the certification of sustainable seafood, fishery, and aquatic products.

Exciting new additions to Swedencare's product portfolio

SCOOPABLES - a successful launch!

In the second quarter of 2023, NaturVet® launched an innovative product line, Scoopables, for both dogs and cats. The Scoopables line was designed to offer an accessible and cost-effective solution for pet owners looking to improve the nutritional value of their pets' diets without having to switch to an expensive raw food diet.



Scoopables includes a diverse range of products with essential nutrients, crafted to supplement, and augment the dietary regimen of cats and dogs. This innovative line of meal toppers is formulated to address various dietary requirements, helps pet parents ensure the holistic wellness of their pets.

NaturVet® will closely monitor developments to continually improve and expand the Scoopables line. Particular attention will be paid to products that demonstrate strong sales and positive customer feedback, as these will guide future product development and marketing strategies.

Scoopables represent a significant milestone for NaturVet® and reflect their dedication to industry-leading pet welfare as well as adapting to the ever-changing needs of modern pet owners. NaturVet® anticipates that Scoopables will be an important part of the product offering, offering solutions that truly lead the way in pet health and well-being. Future reports will provide further insights into Scoopables' performance and the strategies for continued growth.

Rx Vitamins introduces the fur mineral analysis test

Rx Vitamins introduces the Fur Mineral Analysis Test Kit, a valuable tool for veterinarians. By analyzing fur, veterinarians in the matrix can assess prolonged exposure to pollution, as well as identify diet shortcomings for dogs and cats. Testing requires only a small fur sample, with no need for blood or stool.

The report includes 29 mineral and metal values, descriptions of elements outside the reference range, trending data, detoxification protocols, and mineral supplementation guidelines if necessary.

Many pet owners are concerned about their pet's exposure to harmful minerals and heavy metals. Certain metals are highly toxic to animals when they are ingested or inhaled. When evidence of metal toxicity appears in fur, proper detoxification should begin to remove the toxins safely from the patient. The Fur Analysis kit is part of Rx Vitamins' Test and Treat concept, and the analysis includes patient-specific detoxification protocol, with recommended products for supplementation, to make the process easier.



Two new Soft Chew launches for the European market

We are now expanding two of our brands into the European Soft Chew market with new product ranges of functional soft chews. The growing demand for soft chews, driven by pet parents' concern of their pet's well-being and search for convenient, natural, and healthy functional treats for their pets, is met by our commitment to being a leading pet health company and trusted brand. The launch of ProDen PlaqueOff® Soft Chews for oral health and NutriScience WelliChews™ Soft Chews for multiple therapy areas show our dedication to meet evolving pet parents needs.

ProDen PlaqueOff® Soft Chews

ProDen PlaqueOff® - the original for good oral health – is now introducing a new range of Soft Chews for dogs and cats. ProDen PlaqueOff® Soft Chews combine exceptional oral hygiene benefits with an irresistibly delicious treat-like experience. Like all ProDen PlaqueOff® products, these chews are powered by A.N ProDen®, our clinically proven seaweed ingredient known for its oral health benefits. These Soft chews provide oral health benefits while being easy to administer, chew, and digest. Produced in-house by CVP, and with this integration we can ensure consistent quality and flexibility.

WelliChews™ by NutriScience

Introducing a new product range of functional soft chews designed to enhance the overall well-being of pets. WelliChews™ combines the deliciousness of soft treats with targeted health benefits, providing a convenient and enjoyable way to support various aspects of pet health.

To meet their pet's specific needs, pet parents can choose from **Joints & Mobility** to promote joint health and mobility, **Senior Multivitamin** for supporting overall vitality in aging pets, **Multivitamin** with a comprehensive blend of nutrients, **Digestion** for a healthier digestive system, and **Calming** to soothe anxious pets.

WelliChews™ from NutriScience brings together the goodness of premium ingredients and scientific expertise, ensuring that the pets receive the targeted support they need in a tasty and easily administered form. With a trademarked name, WelliChews™ offers legal protection, brand recognition, differentiation, marketing benefits, expansion opportunities, and added value.



Innovet's Oculvet® Gel: a new way of protecting dry eyes

Oculvet® Gel is an innovative lubricant and humectant eye gel for cats and dogs. It relieves the symptoms of dry eye, by performing the same function as natural tears.

The formulation of Oculvet® Gel restores both the water and lipid component of tears, giving relief in any conditions characterized by dry eye. The combination of hyaluronic acid and carbomer gives the product a long-lasting, effective lubricant and humectant action. The presence of medium-chain triglycerides (MCT) stabilizes the lipid layer of the eye. The traumatic acid helps to maintain the integrity of the eye surface. Adelmidrol (a palmitoylethanolamide analogue), performs a soothing action on the ocular mucosa.

Adelmidrol belongs to the family of ALIAMides (Autacoid Local Injury Antagonist Amides). Due to their anti-inflammatory properties, ALIAMides represent an innovative approach to the management of various ocular disorders, as they perform a physiological (and not pharmacologic) action in reducing inflammation.

Oculvet® Gel is part of an ophthalmic product line that also includes Oculvet® Eye Drops and Oculvet® Wipes, to provide all-round care to keep cats' and dogs' eyes healthy. The drops are suitable for treating eye redness, while the gel targets the symptoms of dry eye and our wipes are sterile wipes with cleansing, soothing and humectant action.



Stock

	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
Number of shares at the end of the period	158 731 900	158 111 805	117 854 285	86 509 900
Share price at the end of the period	38.0	86.8	115.0	22.9

The ten largest shareholders (the table summarizes Swedencare's ownership structure as of June 30th, 2023).

	Number of shares	Ownership
Symrise AG	47 761 524	30.1%
Håkan Svanberg & Co Health Care AB	23 077 775	14.5%
Första AP-fonden	7 583 268	4.8%
JCC Group Invest Sweden AB (<i>Johan Bergdahl through company</i>)	7 526 755	4.7%
AMF Aktiefond Småbolag	6 006 500	3.8%
Mastan AB (<i>Håkan Lagerberg through company</i>)	5 675 202	3.6%
SEB Fonder	5 055 804	3.2%
Scott Garmon - MD NaturVet	3 722 691	2.3%
Grandeur Peak Global Advisors, LLC	2 910 710	1.8%
Deka Investments	2 300 000	1.4%
Other	47 111 671	29.68%
Total	158 731 900	100.00%
Free Float*	66 654 395	41.99%

Holdings include related parties

*Shares not owned by board members, management, their close related parties, shareholders with more than 10% or which are part of lockup agreement.

Financial overview

Consolidated profit and loss (MSEK)

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Rolling 12 mths	Full year 2022
Net revenue	572.1	470.9	1,095.3	848.6	2,076.2	1,829.5
Other revenue	1.8	5.0	2.1	7.3	8.7	13.9
Total revenue	573.9	475.9	1,097.4	855.9	2,084.9	1,843.4
Cost of sales	-268.9	-206.7	-506.6	-378.6	-941.9	-813.9
Other external costs	-113.3	-87.0	-215.2	-158.8	-415.0	-358.6
Personnel costs	-82.6	-72.1	-159.7	-129.4	-311.4	-281.1
Operating profit before depreciation (EBITDA)	109.1	110.1	215.9	189.0	416.6	389.8
Depreciation and write-downs of tangible fixed assets	-19.6	-15.7	-37.5	-28.3	-72.7	-63.5
Operating profit before interest, taxes and amortization (EBITA)	89.5	94.4	178.4	160.8	344.0	326.3
Amortization of intangible fixed assets	-57.5	-56.2	-114.3	-97.7	-222.4	-205.8
Other costs	-1.1	-	-2.9	-	-3.4	-0.5
Operating profit (EBIT)	30.9	38.2	61.2	63.1	118.1	120.0
Financial costs	-21.0	-6.5	-41.0	-12.0	-68.7	-39.7
Results from shares in associated companies	-0.1	-	-0.2	-	-0.4	-0.2
Profit after financial costs	9.8	31.7	20.0	51.1	49.0	80.1
Net income before tax	9.8	31.7	20.0	51.1	49.0	80.1
Tax on profit	-7.6	-6.2	-11.9	-11.4	-26.2	-25.7
Deferred tax	14.1	34.6	25.4	35.3	30.2	40.1
Net income	16.3	60.2	33.5	74.9	53.1	94.5
Earnings per share before dilution (SEK)	0.10	0.38	0.21	0.49	0.33	0.61
Earnings per share after dilution (SEK)	0.10	0.38	0.21	0.49	0.33	0.61

Consolidated statement of comprehensive income (MSEK)

Net income	16.3	60.2	33.5	74.9	53.1	94.5
Exchange difference foreign subs.	443.8	746.8	401.0	758.0	552.7	909.7
TOTAL PROFIT	460.1	807.0	434.5	832.9	605.8	1,004.2

Consolidated balance sheet (MSEK)

	30 Jun 2023	31 Dec 2022	30 Jun 2022
ASSETS			
Non-current assets			
Goodwill	4,279.5	4,067.5	3,901.3
Other intangible assets	4,370.0	4,301.9	4,268.0
Shares in associated companies	0.1	0.2	0.4
Buildings and land	155.8	150.9	147.6
Right of use according to IFRS - Buildings and land	240.8	248.7	235.8
Machinery and other tech assets	145.1	137.5	122.0
Right of use according to IFRS - Machinery and other tech assets	7.1	8.4	8.6
Tools, furniture, and fixtures	13.0	10.2	9.1
Other financial assets	0.7	0.8	0.8
Deferred tax asset	78.6	71.6	47.6
Total non-current assets	9,290.7	8,997.9	8,741.1
Current assets			
Inventory	461.1	441.5	444.0
Accounts receivables	281.4	228.8	240.3
Tax receivables	36.3	36.2	8.9
Other receivables	5.0	15.0	8.7
Prepaid costs and deferred revenue	52.4	40.3	46.4
Cash	197.6	245.1	235.5
Total current assets	1,033.8	1,006.8	983.8
TOTAL ASSETS	10,324.5	10,004.7	9,724.9

Consolidated balance sheet (MSEK) - cont.

	30 Jun 2023	31 Dec 2022	30 Jun 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	1.6	1.6	1.6
Share premium	6,209.6	6,209.6	6,182.4
Conversion reserves	1 447.9	1 046.2	894.4
Other equity incl. full year profit	201.2	203.3	183.7
Total equity	7,860.3	7,460.7	7,262.1
Long term liabilities			
Debt to credit institutions	1,591.7	1,641.0	1,366.7
Other interest-bearing liabilities	212.6	221.4	211.1
Deferred tax liability	363.6	367.4	331.1
Debts to employees	4.7	4.2	3.9
Other long-term liabilities	5.4	-	-
Short term liabilities			
Accounts payable	90.6	66.9	79.4
Tax liabilities	48.4	49.5	24.6
Other interest-bearing liabilities	41.1	39.8	35.7
Other liabilities	16.5	106.3	106.8
Deferred costs and prepaid income	89.6	47.5	303.5
Total liabilities	2,464.2	2,544.0	2,462.8
TOTAL EQUITY AND LIABILITIES	10,324.5	10,004.7	9,724.9

Consolidated cash flow statement (MSEK)

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Operating income before financial costs	30,9	38,2	61,2	63,1	120,0
Paid interest	-12,8	-5,1	-29,8	-8,3	-30,3
Depreciation	77,1	71,9	151,8	126,0	269,3
Paid tax	-10,2	-8,0	-14,6	-10,0	-30,9
Non-cash flow items	-2,1	12,7	-2,0	16,1	22,9
Change in working capital	-1,4	-94,0	15,3	-121,0	-90,8
Cash flow from operating activities	81.5	15.7	181.9	65.9	260.2
<i>Investment activities</i>					
Acquisitions	-20.1	-5.8	-113.3	-3,929.3	-4,359.3
Acquisitions – payment of acquired debts	-	-	-	-239.8	-239.8
Purchases of intangible assets	-0.7	-0.6	-0.9	-1.3	-3.7
Sales of intangible assets	-	-	-	-	11.2
Purchases of buildings	-1.5	-11.2	-4.2	-17.3	-23.3
Purchases of machines	-5.8	-9.8	-12.1	-24.1	-48.0
Purchases of tools, furniture, and fixtures	-1.8	-0.2	-3.7	-0.8	-3.4
Cash flow from investment activities	-29.9	-27.6	-134.2	-4,212.6	-4,666.3
<i>Financial activities</i>					
New share issue	-	0.1	-	3,550.0	3,550.0
Warrants	-	-	-	-	1.1
Share issue costs	-	-	-	-17.0	-17.5
Paid dividend	-34.9	-31.6	-34.9	-31.6	-31.6
Loan	-	-	25.0	748.0	1 050.0
Amortization on interest-bearing loan	-50.0	-	-75.6	-	-27.6
Amortization on lease	-9.0	-7.4	-17.8	-13.3	-29.8
Cash flow from financial activities	-93.9	-38.9	-103.3	4,236.1	4,494.6
Cash flow for the period	-42.3	-50.8	-55.6	89.4	88.5
Cash balance at beginning of period	232.2	277.3	245.1	136.1	136.1
Exchange difference in cash	7.7	9.0	8.1	10.0	20.5
Cash balance at end of period	197.6	235.5	197.6	235.5	245.1

Consolidated change of equity (MSEK)

Beginning balance	7,435.1	6,486.6	7,460.7	2,419.8	2,419.8
New share issued	-	0.1	-	4,041.0	4,067.2
Warrants	-	-	-	-	1.1
Paid dividend	-34.9	-31.6	-34.9	-31.6	-31.6
Total profit	460.1	807.0	434.5	832.9	1,004.2
Ending balance	7,860.3	7,262.1	7,860.3	7,262.1	7,460.7

Definition of KPI's

Net revenue

The main revenue of the company

Change of revenue (%)

Net revenue in relation to the previous corresponding period

Gross profit

Sales revenue minus costs for raw materials, components, merchandise, and transportation costs

Gross margin (%)

Gross profit as a percentage of net revenue

EBITDA

Operating profit before depreciation and other operating expenses

EBITDA-margin (%)

EBITDA as a percentage of net revenue

EBITA

Operating profit before amortization and other operating expenses

EBITA-margin (%)

Operating profit before amortization and other operating expenses as a percentage of net revenue

EBIT

Operating profit

EBIT-margin (%)

EBIT as a percentage of net revenue

Net income margin (%)

Profit after tax as a percentage of net revenue

Solvency (%)

Equity (equity and untaxed reserves minus deduction for deferred tax) calculated as a percentage of total assets

Interest-bearing net debt

Interest-bearing debt including financial leasing minus cash

Earnings per share

Net income for the period in relation to the average number of shares during the period

Equity per share

Equity in relation to the number of shares at the end of the period

Organic Growth

Change in net sales during the current period, excluding acquisitions and exchange rate effects, in relation to the net sales corresponding period of the previous year. The acquisitions are included in organic net sales after a period of twelve months

Operational KPI's

Operational Gross Profit

Gross profit excluding items affecting comparability

Operational Gross-Margin (%)

Op. Gross profit as a percentage of net revenue

Operational EBITDA

EBITDA excluding items affecting comparability. The measure is relevant for showing the group's results generated by operating activities

Operational EBITDA-margin (%)

Op. EBITDA as a percentage of net revenue

Operational EBITA

EBITA excluding items affecting comparability. The measure is relevant for showing the group's results generated by operating activities

Operational EBITA-margin (%)

Op. EBITA as a percentage of net revenue

Operational EBIT

EBIT excluding items affecting comparability. The measure is relevant for showing the group's results generated by operating activities

Operational EBIT-margin (%)

Op. EBIT as a percentage of net revenue

Consolidated KPI's

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Profit measures (MSEK)					
Net revenue	572.1	470.9	1,095.3	848.6	1,829.5
Total revenue	573.9	475.9	1,097.4	855.9	1,843.4
Change of revenue (%)	21.5%	194.1%	29.1%	189.3%	137.2%
Gross margin (%)	53.0%	56.1%	53.7%	55.4%	55.5%
EBITA	89.5	94.4	178.4	160.8	326.3
EBITA-margin (%)	15.7%	20.0%	16.3%	19.0%	17.8%
EBIT	30.9	38.2	61.2	63.1	120.0
EBIT-margin (%)	5.4%	8.1%	5.6%	7.4%	6.6%
Net income	16.3	60.2	33.5	74.9	94.5
Net income margin (%)	2.8%	12.8%	3.1%	8.8%	5.2%
Share data (SEK)					
Outstanding shares at period close	158 731 900	158 111 805	158 731 900	158 111 805	158 731 900
Average outstanding shares	158 731 900	158 111 805	158 731 900	152 325 798	155 346 212
Earnings per share (SEK)	0.10	0.38	0.21	0.49	0.61
Equity per share (SEK)	49.52	45.93	49.52	45.93	47.00
Other information (MSEK)					
Cash	197.6	235.5	197.6	235.5	245.1
Interest-bearing net debt	1,647.8	1,378.0	1,647.8	1,378.0	1,657.1
Equity	7,860.3	7,262.1	7,860.3	7,262.1	7,460.7
Balance sheet total	10,324.5	9,724.9	10,324.5	9,724.9	10,004.7
Solvency (%)	76.1%	74.7%	76.1%	74.7%	74.6%

Consolidated Operational KPI's (MSEK)

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
Net revenue	572.1	470.9	1,95.3	848.6	1,829.5
Operational gross profit	312.9	277.3	598.9	487.4	1 051.3
<i>Operational gross margin</i>	54.7%	58.9%	54.7%	57.4%	57.5%
Revaluation of acquisition stock to fair value	-	13.1	0.5	17.5	35.8
Effect of change in accounting estimates for inventory value	9.7	-	9.7	-	-
Gross profit	303.2	264.2	588.7	469.9	1,015.6
<i>Gross margin</i>	53.0%	56.1%	53.7%	55.4%	55.5%
Operational EBITDA	119.5	123.2	226.8	217.9	439.6
<i>Operational EBITDA-margin</i>	20.9%	26.2%	20.7%	25.7%	24.0%
Acquisition costs	0.2	-	0.3	11.2	14.0
Revaluation of acquisition stock to fair value	-	13.1	0.5	17.5	35.8
Effect of change in accounting estimates for inventory value	9.7	-	9.7	-	-
Costs associated with Symrise AGs mandatory tender offer	0.4	-	0.4	-	-
EBITDA	109.1	110.1	215.9	189.2	389.8
<i>EBITDA-margin</i>	19.1%	23.4%	19.7%	22.3%	21.3%
Operational EBITA	99.9	107.5	189.3	189.6	376.1
<i>Operational EBITA-margin</i>	17.5%	22.8%	17.3%	22.3%	20.6%
Acquisition costs	0.2	-	0.3	11.2	14.0
Revaluation of acquisition stock to fair value	-	13.1	0.5	17.5	35.8
Effect of change in accounting estimates for inventory value	9.7	-	9.7	-	-
Costs associated with Symrise AGs mandatory tender offer	0.4	-	0.4	-	-
EBITA	89.5	94.4	178.4	160.9	326.3
<i>EBITA-margin</i>	15.7%	20.0%	16.3%	19.0%	17.8%
Operational EBIT	98.5	107.3	185.9	189.1	373.8
<i>Operational EBIT-margin</i>	17.2%	22.8%	17.0%	22.3%	20.4%
Acquisitions costs	0.2	-	0.3	11.2	14.0
Revaluation of acquisition stock to fair value	-	13.1	0.5	17.5	35.8
Effect of change in accounting estimates for inventory value	9.7	-	9.7	-	-
Costs associated with Symrise AGs mandatory tender offer	0.4	-	0.4	-	-
Depreciation of acquisition-related intangible assets	57.2	56.0	113.8	97.3	204.1
EBIT	30.9	38.2	61.2	63.1	120.0
<i>EBIT-margin</i>	5.4%	8.1%	5.6%	7.4%	6.6%

Items affecting comparability

Items affecting comparability refer to events and transactions whose profit effects are important to pay attention to when the period's results are compared with previous periods and include items of a one-off nature that are not directly related to the ongoing operations, and which are adjusted due to specific events.

Items affecting comparison are a designation for items which excluded shows the group's earnings excluding items which by

their nature are not recurring as part of its ongoing operations. In addition, peer comp analysis is facilitated of companies that do not make acquisitions, while analysis and assessment of acquisition objects becomes more clear and transparent then their EBIT contribution coincides with the actual contribution to the group after consolidation. It is also important to note that the effect of the acquisitions is reflected in the group's capital structure and net debt in accordance with accepted accounting rules.

Operating segment the Group (MSEK)

An operating segment is a component of the group that conducts operations from which it can generate revenues and incur costs, whose operating results are regularly reviewed by the Group's chief operating decision maker and for which discrete financial information is available. The Group's operations are reported per geographical area (North America, Europe and Other), and per production unit. The operating segments are reported in a manner consistent with the internal reporting provided to the

chief operating decision maker, who is responsible for allocating resources and monitoring the operating segments' results. In the Swedencare group, this function has been identified as the CEO and CFO. The CEO and CFO use the same operating segments in their reporting of the group's financial development to the Board of Directors, which confirms that the external and internal reporting are consistent.

The North American operating segment includes seven sales companies in North America.

The European operating segment includes eight sales companies in Europe.

The Production operating segment includes Vetio (Canada and USA), Swedencare Tillverka (USA), Swedencare Ireland (Ireland) and Custom Vet Products (UK).

The period April-June	North America		Europe		Production		Other and group adjustments		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net revenue external	386.4	305.7	87.9	79.1	87.7	76.7	10.1	9.4	572.1	470.9
Net revenue internal	24.7	19.4	0.6	0.2	42.2	26.5	-67.4	-46.1	-	-
Net sales	411.1	325.0	88.5	79.3	129.8	103.2	-57.3	-36.6	572.1	470.9
Other revenue external	-	-	0.4	0.4	0.2	-	1.1	4.6	1.7	5.0
Other revenue internal	-	-0.2	-	-0.1	0.1	-0.2	-0.1	0.5	-	-
Total revenue	411.1	324.8	88.9	79.7	130.1	103.0	-56.2	-31.5	573.9	475.9
Cost of sales	-222.1	-149.2	-26.9	-25.6	-82.9	-59.0	63.1	27.1	-268.9	-206.7
Other external costs	-80.1	-58.6	-22.1	-17.0	-16.5	-15.5	5.4	4.0	-113.3	-87.0
Personnel costs	-48.5	-41.7	-10.0	-9.5	-18.6	-15.1	-5.4	-5.8	-82.6	-72.1
Operating profit before depreciation (EBITDA)	60.4	75.4	29.8	27.6	12.0	13.3	6.8	-6.2	109.1	110.1
Depreciation and write-downs of tangible fixed assets	-4.6	-3.5	-0.2	-0.1	-5.1	-3.9	-9.7	-8.2	-19.6	-15.7
Amortization of intangible fixed assets	-6.3	-5.8	-7.1	-6.5	-1.2	-1.2	-42.8	-42.5	-57.5	-56.2
Other costs	-	-	-0.3	-	-0.2	0.1	-0.7	-0.1	-1.2	-
Operating profit (EBIT)	49.6	66.1	22.2	21.0	5.5	8.2	-46.3	-57.0	30.9	38.2
Financial costs	-0.1	-0.1	-	-	83.2	-0.1	-104.2	-6.3	-21.0	-6.5
Results from shares in associated companies	-	-	-	-	-	-	-0.1	-	-0.1	-
Profit after financial costs	49.5	65.9	22.2	20.9	88.8	8.1	-150.6	-63.3	9.8	31.7
Net income before tax	49.5	65.9	22.2	20.9	88.8	8.1	-150.6	-63.3	9.8	31.7
Tax on profit	-0.3	-0.4	-6.0	-5.5	-1.3	-0.4	-	-	-7.6	-6.2
Deferred tax	-	-	-	-	-	-	14.1	34.7	14.1	34.6
Net income	49.2	65.6	16.2	15.5	87.4	7.8	-136.5	-28.7	16.3	60.2

The period January-June	North America		Europe		Production		Other and group adjustments		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net revenue external	721.0	544.2	159.3	134.2	194.1	154.5	20.9	15.7	1,095.3	848.6
Net revenue internal	43.1	31.2	1.1	0.5	59.3	49.2	-103.5	-80.9	-	-
Net sales	764.1	575.5	160.4	134.7	253.4	203.6	-82.6	-65.2	1,095.3	848.6
Other revenue external	-	-	0.8	2.9	0.2	-	1.1	4.6	2.1	7.3
Other revenue internal	-	-	-	-	0.1	0.3	-0.1	-0.3	-	-
Total revenue	764.1	575.5	161.1	137.6	253.7	204.0	-81.5	-61.0	1,097.4	855.9
Cost of sales	-396.0	-270.9	-49.4	-47.0	-160.4	-115.5	99.3	54.8	-506.6	-378.6
Other external costs	-152.6	-102.4	-41.7	-26.1	-32.6	-27.4	11.8	-2.8	-215.2	-158.8
Personnel costs	-92.8	-73.7	-19.7	-15.8	-36.4	-29.8	-10.8	-10.1	-159.7	-129.4
Operating profit before depreciation (EBITDA)	122.7	128.4	50.3	48.7	24.3	31.3	18.7	-19.1	215.9	189.0
Depreciation and write-downs of tangible fixed assets	-7.9	-5.9	-0.4	-0.2	-10.0	-7.4	-19.2	-14.8	-37.5	-28.3
Amortization of intangible fixed assets	-12.5	-11.4	-14.1	-8.7	-2.4	-2.3	-85.3	-75.3	-114.3	-97.7
Other costs	-	-	-0.5	-0.1	-1.8	-0.1	-0.5	-	-2.9	-
Operating profit (EBIT)	102.3	111.2	35.2	39.6	10.0	21.5	-86.3	-109.2	61.2	63.1
Financial costs	-0.2	-0.4	-	-	176.2	-0.2	-217.1	-11.4	-41.1	-12.0
Results from shares in associated companies	-	-	-	-	-	-	-0.2	-	-0.2	-
Profit after financial costs	102.2	110.8	35.2	39.6	186.2	21.3	-303.6	-120.6	20.0	51.1
Net income before tax	102.2	110.8	35.2	39.6	186.2	21.3	-303.6	-120.6	20.0	51.1
Tax on profit	-0.7	-1.5	-8.8	-8.8	-2.4	-1.1	-	-	-11.9	-11.4
Deferred tax	-	-	-	-	-0.1	-	25.5	35.3	25.4	35.3
Net income	101.4	109.2	26.4	30.8	183.7	20.2	-278.1	-85.4	33.5	74.9

Acquisitions completed during the year

Axiom Direct (Vet Buyers Direct) – Acquisition of an American company with a focus on membership for veterinarians

On April 3rd, 2023, Swedencare acquired 100% of the American company Axiom Direct, Inc. (Vet Buyers Direct). Axiom uses a membership model where veterinary clinics and other customers pay a monthly fee to be a member and gain access to products, services, brands, and favorable prices.

The purchase price of a total of 25.6 MSEK (2.5 MUSD) is paid through a cash settlement, on a debt- and cash-free basis, of

20.1 MSEK (2.0 MUSD) upon entry. A condition-based purchase price (earn-out) of a maximum of approximately 4.8 MSEK (0.5 MUSD) may be paid if certain conditions are met as of April 3, 2026, this part of the purchase price is settled in cash. Axiom is a newly founded company from July 2022 with a fast-growing program which will have a marginal impact in 2023 on Swedencare's revenue and results. Through the acquisition, Swedencare gets a new sales channel established by salesperson and entrepreneur Lynn Bowgren. Lynn, who will continue to run the company in the Swedencare group, has extensive experience in sales to the veterinary industry.

Acquisition	Axiom direct Inc.
<i>Purchase price:</i>	
Cash payment for this year's acquisition	20.8
Additional purchase price*	5.2
Present value calculation additional purchase price	-0.4
Total Purchase price	25.6
<i>Payments for acquisitions:</i>	
Payment for this year's acquisition	25.6
Acquired cash and bank balances	0.7
Transaction costs that are included in Net income as Other external costs	-0.2
Total paid	26.2
Contributions from acquired companies:	
<i>Contribution from the time when the controlling influence existed</i>	
Total revenue	0.7
Net income	-
<i>Contribution if the acquisition had been made January 1st, 2023</i>	
Total revenue	1.1
Net income	-
Preliminary acquisition analysis	
Acquired assets and liabilities	
Accounts receivable	0.2
Cash	0.7
Total acquired net assets	0.9
Other current assets	-
Total acquired net liabilities	-
Goodwill	24.8
Total	25.6

The Group's revenue breakdown (MSEK)

	Apr-Jun 2023	Apr-Jun 2022	Change %
Product areas			
ProDen PlaqueOff®	65.1	44.9	45%
Nutraceuticals	310.8	235.9	32%
Topicals/Dermatology	129.9	142.9	-9%
Pharma	23.6	19.0	24%
Other	42.7	28.2	52%
Total	572.1	470.9	21%
Time of revenue recognition			
The performance commitment is met over time	77.0	73.1	5%
The performance commitment is met a certain time	495.1	397.8	24%
Total	572.1	470.9	21%
Geographic market			
North America	457.7	367.5	25%
Europe	102.3	88.5	16%
Rest of the World	12.1	14.9	-19%
Total	572.1	470.9	21%
	Jan-Jun 2023	Jan-Jun 2022	Change %
Product areas			
ProDen PlaqueOff®	129.2	85.4	51%
Nutraceuticals	572.6	407.2	41%
Topicals/Dermatology	268.9	273.4	-2%
Pharma	49.5	35.5	39%
Other	75.3	47.1	60%
Total	1,095.5	848.6	29%
Time of revenue recognition			
The performance commitment is met over time	172.9	146.0	18%
The performance commitment is met a certain time	922.6	702.6	31%
Total	1,095.5	848.6	29%
Geographic market			
North America	882.5	674.3	31%
Europe	186.4	151.1	23%
Rest of the World	26.6	23.2	15%
Total	1,095.5	848.6	29%

Other information

Risk factors

The board and the managing director guarantee that the half year report provides a fair overview of the Company's operations, position, and results. When evaluating Swedencare's future development, it is important to consider risk factors in addition to potential revenue and profit growth. Swedencare's operations are affected by several risks that can have an effect on the company's results and financial position to varying extents. For a description of Swedencare's risks, refer to the Company's Annual Report.

Accounting principles

This half year report has been prepared in accordance with IAS 34 interim reporting. The same accounting principles and calculation bases have been used as in the last annual report; however, exchange rate gains have not been reported in the operating profit in previous years. The margins are also from 2023 calculated as a percent of net revenue instead of a percent of total revenue. The comparison figures have therefore been adjusted to give a clearer picture.

Change in accounting estimates

Swedencare has made a change in accounting estimates for allocation and calculation of overheads included in the total inventory value of finished products in NaturVet. The change occurs due to changes in the circumstances which were the basis for the estimate as well as increased experience of the company's operations. The change means that the difference in the calculation of recorded inventory value of finished products is reported in the income statement during Q2 2023 when the change takes place. Because the change is not recurring as part of the current business notes about the profit effects are included in Operational key figures.

Transactions with related parties

There have been no material transactions with related parties during 2023.

Board of Directors

The Board of Directors ensures that this half year report provides a true and fair view of the group's operations, financial position, and results.

Malmö July 27th, 2023

Håkan Lagerberg
CEO

Håkan Svanberg
Board Chairman

Johan Bergdahl
Board member

Heinz-Jürgen Bertram
Board member

Sara Brandt
Board member

Thomas Eklund
Board member

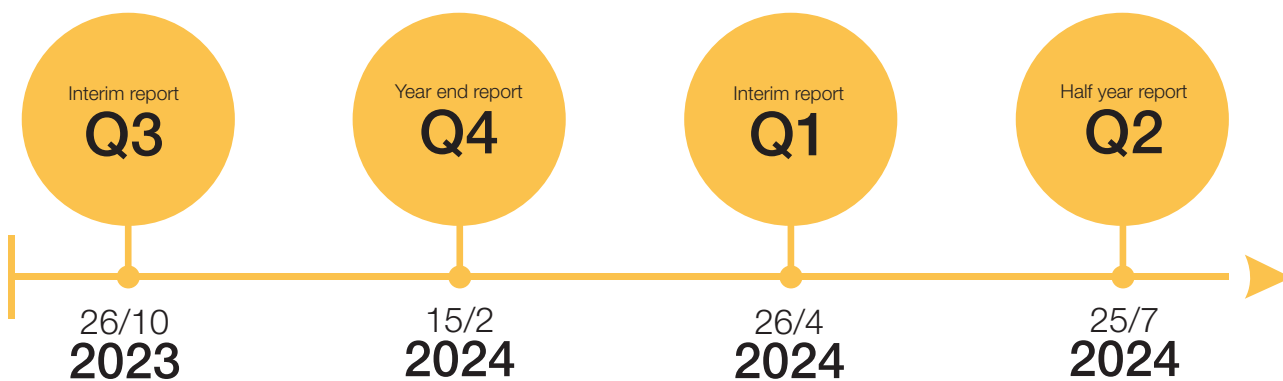
Jean-Yves Parisot
Board member

Ulrika Valassi
Board member

Auditor's review

This half year report has not been reviewed by the company's auditor.

Future reporting schedule



Contact

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