Strategic expansion and continued growth in the global market

ANNUAL AND CONSOLIDATED ACCOUNTS 2025

Swedencare AB (publ) Org. no. 556470-3790

Note: The English version is a non-official translation of the original Swedish report

Long-term growth through local engagement and global collaboration

Swedencare continues to combine rapid global growth with a strong local presence and a family-oriented corporate culture. Since the turn of the millennium, we have expanded internationally both through organic growth and through acquisitions of companies that share our vision: to become a leading global player in animal health with premium products for dogs, cats, and horses.

The companies that join the Swedencare family are often founded by entrepreneurs with the same commitment and drive that characterize our own organization. Many of them have built successful businesses in their home markets, and together we take the next step – expanding internationally. Through our ownership model, we create the conditions for continued development, enabling both founders and their teams to grow within the Group.

Swedencare is developing with the ambition of becoming an innovative and long-term sustainable global player in pet health. Our organization is built on openness, knowledge sharing, and shared resources, where experience, distribution networks, and marketing channels are exchanged across the Group's companies. This structure enables rapid decision making, efficient collaboration, and a culture characterized by trust and humility.

Together we create an environment that combines flexibility and entrepreneurship with the strength of a global group. This makes us agile in a changing market and better equipped to meet the needs of our customers and partners worldwide.

Our perspective on pets and pet ownership is based on a family mindset. We want to provide every pet with the best possible conditions for a healthy and fulfilling life. The products we develop must meet the highest standards of quality, contribute to well-being, and make a meaningful difference in everyday life for both animals and their owners.

We also consider our external shareholders an important part of the Swedencare family. Through mutual trust and shared goals, we create the conditions for long-term growth, stable returns, and positive financial development. Our relationship with customers, employees, and shareholders is built on the same principle – exceeding expectations and creating value at every stage.

Our shared goals and our culture of responsibility and commitment permeate the entire Group. By combining local expertise with global reach, we continue to create value for animals, people, and society – today and in the future.

Swedencare has established a strong global presence over the past decades. By combining organic growth with strategic acquisitions, we make our products available to pet owners worldwide and continue to drive sustainable growth.

Table of Contents

Swedencare at a glance

Swedencare is a fast-growing global animal health group that develops, manufactures, markets, and sells premium products in the expanding global pet care market. The Group has several strong brands and products across most therapeutic areas.

Operations are managed from the headquarters in Malmö, Sweden, with subsidiaries in nine countries. The Group's products are sold in approximately 70 markets and through all relevant sales channels.

2025

2,683
Net revenue SEK, million

3%
Total growth

19.0%
Operational EBITDA margin

9%
Organic growth

510
Operational EBITDA, SEK, million

Additional key figures and definitions can be found on pages 99 and 100

THE GROUP'S TRANFORMATION
From oral health to pet health, with rapid global growth and an integrated value chain spanning research and development, product development, in-house production, and sales to end customers.

SALES CHANNELS
Online platforms, specialist pet retailers, veterinary clinics, pharmacies, and FDMC.

DISTRIBUTION
The distribution network includes subsidiaries in nine countries as well as an international network of retailers.

VISION
To become a leading global animal health group offering premium products for dogs, cats, and horses.

PRODEN PLAQUEOFF®
23%
growth in 2025

ACQUISITIONS
14
acquisitions since June 2020 and 16 since 2014

PRODUCTION
>90%
of production is carried out in-house, compared with 76% in 2022. All production facilities within the production segment are GMP-certified.

GEOGRAPHIC BUSINESS AREAS

- Europe
- North America
- Rest of the world

SEGMENTS

- North America
- Europe
- Production

PRODUCT GROUPS

- Oral health
- Supplements
- Dermatology
- Pharmaceuticals
- Treats

EMPLOYEES

613

51% women

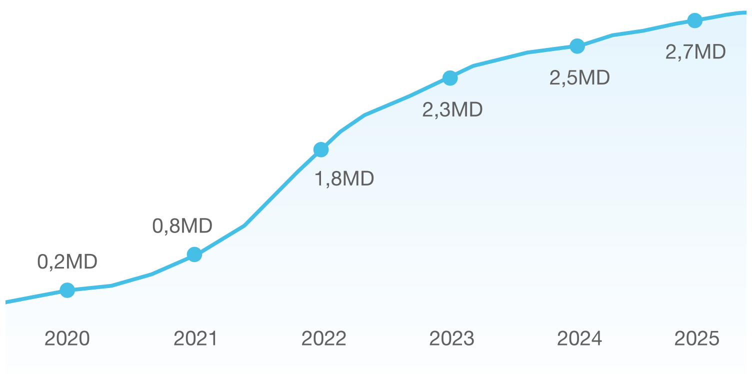
49% men

NEW FINANCIAL TARGETS FOR THE COMING FIVE YEARS

- Annual double-digit organic growth
- Operational EBITDA margin above 26% in the midterm (approximately 23% operating EBIT)
- Dividend payout* of 40% of profit after tax, adjusted for non-operating costs
- Netdebt/R12 Op. EBITDA below 2.0**

*Swedencare will propose a dividend taking into account the Group's earnings, as well as its consolidation and investment needs, liquidity and financial position.
**With flexibility for acquisitions.

STRONG GROWTH
Net revenue in SEK



SELECTED BRANDS:

ProDen PlaqueOff
NaturVet
Pet MD
nutravet
NutriScience
Innovet
RxVitamins
Riley's
Stratford Animal Care

SUSTAINABILITY AT SWEDENCARE – KEY PRIORITIES

Circular economy, waste and resource efficiency
Reduced environmental impact through lower waste volumes, improvements in packaging and material choices, and an increased share of fossil-free electricity.

Employee well-being and safety
Work environment, health and safety, and skills development.

Customer and pet well-being and safety
Quality, traceability, product safety, and information security.

Corporate culture and responsible governance
Ethical guidelines, compliance, transparency, and a strong corporate culture.

Q1

- Newly introduced tariffs by the US on EU products have had only a limited impact on Swedencare, as the Group has established manufacturing capacity on both sides of the Atlantic
- A new online concept has been tested in the Nordic region with very positive results
- Acquisition of Pack Approved®, with whom we initiated cooperation in 2024 through our treat brand Riley's®. Pack Approved primarily sells treats based on unusual and specialty protein sources
- Our most recent employee survey confirms the strong culture and work environment we have built. Employees report high engagement and a clear long-term outlook within Swedencare. Our eNPS score increased from 41 to 44 compared with the previous survey conducted in 2023

Q2

- Acquisition of Summit Veterinary Pharmaceuticals Limited, a UK-based specialty pharmacy and a leading player within the rapidly growing Animal Health Specials segment. This represents a new type of business area for the Group, with clear synergies particularly with Vetio North, our pharma operations
- Preparations for the launch of NaturVet in 1,400 Walmart stores, marking the Group's first major Big Box retail customer
- Acquired responsibility for NaturVet's Amazon sales, previously handled by an external partner. This transition has positively impacted both revenue and profitability while providing greater control over our brands

Q3

- ProDen DentalCare® was launched in the Canadian market through MedVant.
- Investment in a minority stake in Viyo, an innovative company and brand based in Belgium
- Reorganization of Amazon sales across Europe (excluding the UK) so that Swedencare now manages sales directly. This change means the Group will capture full sales revenue across all EU markets
- Further expansion in the Big Box retail channel, including launches in 1,100 CVS stores and 140 stores within a regional Midwest retail chain

Q4

- New projects have been initiated at manufacturing facilities in the US and Canada to expand into new product categories. These include sterile animal health products, such as ophthalmic products and other topical and liquid formulations at our pharmaceutical facility in Canada, as well as production of treats and dermatology products in Florida
- New financial targets were communicated to the market
- Expansion through a special campaign in 600 Walmart stores, bringing the total number of stores carrying NaturVet products to approximately 2,000 locations

Swedencare’s origins lie in dental care products. Over the years, the objective has been to bring our original premium products to a broader international market. At the same time, the ambition has been to broaden the offering to include health products across several therapeutic areas beyond dental care alone. The strategy represents a transition from a dental health company to a global companion animal health group.

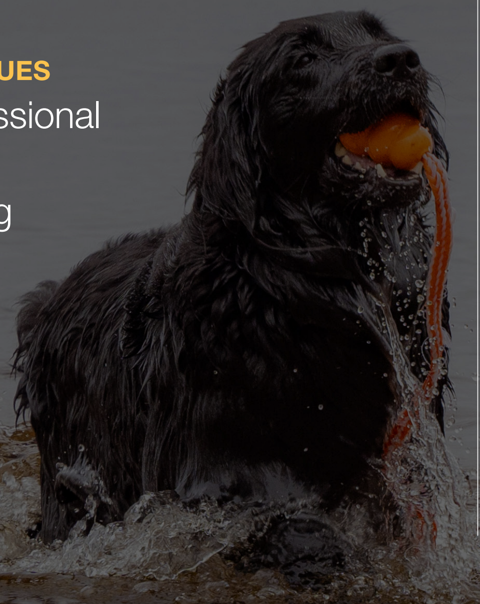
BUSINESS CONCEPT
Our business concept is to offer the global pet market a broad portfolio of premium pet health products.

MISSION
Our mission is to improve the health and well-being of pets while creating reassurance for pet parents – worldwide and throughout the pet’s life.

BRAND PROMISE
Through safe, innovative, and effective products for pets worldwide, we improve their well-being and quality of life while giving owners a sense of trust and reassurance.

VISION
To become a leading global animal health group with premium products for dogs, cats, and horses.

CORE VALUES
- Professional
- Agile
- Caring



FINANCIAL TARGETS
- Annual double-digit organic growth
- Operational EBITDA margin above 26% in the medium term (approximately 23% operating EBIT)
- Dividend of 40% of profit after tax, adjusted for non-operating costs*
- Net debt / R12 Op. EBITDA below 2.0**

*Swedencare will propose a dividend taking into account the Group’s results, consolidation and investment needs, liquidity and financial position.
**With flexibility for acquisitions.

With care in every step, we create long-term value – for the health of animals, the reassurance of their families, and a growing global need.

A year of strategic priorities for long-term value creation

"In 2025, Swedencare continued to grow in a structurally attractive market while taking deliberate actions to position the company in line with our long-term financial objectives. We combined solid organic growth with targeted investments in brand, distribution and acquisitions, with a clear focus on scalability, profitability, and cash generation."

Net revenue totaled 2,683 MSEK, representing growth of 6%. Organic growth, adjusted for currency effects, was 9%. Growth accelerated meaningfully during the year, particularly in the second half, with organic growth of 15% and 11% in the third and fourth quarters, respectively. This marks an important step toward our ambition of delivering sustainable, double-digit organic growth over time.

The operational EBITDA margin was 19%. Margin performance was impacted in the short term by strategic investments, primarily related to the launch of a new brand identity for NaturVet, increased brand-building and marketing activities, our entry into the Big Box/FDMC (Food, Drug, Mass and Club) retail channel, including Walmart, as well as the transition of our Amazon sales operations. These initiatives were undertaken to strengthen our commercial and operational platform and to create the foundation for the margin expansion embedded in our five-year strategy.

Accelerating growth with improved quality

Following a cautious start to the year, performance improved progressively. During the second half of the year, new customer launches, an expanded online presence and increased marketing investments supported both higher growth and an improved product mix.

The third quarter represented a clear inflection point. For the first time, quarterly revenue exceeded 700 MSEK, while profitability also improved. This performance confirms that our investments are translating into growth with increasing quality.

While the strengthening of the Swedish krona had a negative impact on reported revenue, our cost and revenue base is largely denominated in local currencies, resulting in a limited effect on profitability.

Strategic acquisitions supporting long-term objectives

During the year, we completed the acquisition of Summit Veterinary Pharmaceuticals in the UK. The acquisition strengthens our position in veterinary specialty products and expands our exposure to structurally attractive market segments. Integration is progressing according to plan and is contributing positively to growth, profitability and capabilities across the Group.

We also acquired responsibility over NaturVet's Amazon sales earlier than planned. This transition reduced operational risk, improved control over our most important online channel, and enhances our ability to balance growth with improved profitability from 2026 onward.

Disciplined investment approach to drive margin expansion

2025 was characterized by increased investments in marketing, particularly related to major product launches and expansion within the Big Box/FDMC retail channel, as well as digital platforms. While these investments impacted margins in the short term, they are fully aligned with our strategy of building strong brands, increasing market penetration, and realizing operating leverage over time.

In parallel, we continued to develop our global manufacturing and distribution footprint through capital expenditures, system upgrades, and broader operational optimization initiatives. Our strategic focus remains clear: combining local market presence with operational efficiency to support sustainable margin expansion.

Strong financial discipline and cash generation

Cash flow from operating activities amounted to 327 MSEK for the full year. Our balance sheet remains strong, providing the financial flexibility to continue investing in line with our strategy while maintaining a disciplined leverage profile.

The Board of Directors proposes a dividend of SEK 0.28 per share, in line with our dividend policy and our commitment to balancing growth, financial discipline and long-term shareholder value creation.

People and culture as key enablers

During the year, Swedencare grew to more than 600 employees globally. Results from our global employee engagement survey continue to demonstrate high levels of commitment and engagement. Our people and culture are critical to our ability to scale the organization, execute change, and deliver on our long-term strategic objectives.

Clear strategic direction going forward

With a strengthened operational platform, an improved organic growth trajectory and clearly defined financial targets for the coming five years, Swedencare is well positioned for its next phase of development. Our focus remains unchanged: to deliver sustainable growth, gradually expanding profitability and strong cash flow, thereby creating long-term value for customers, employees and shareholders.

I would like to thank all our employees for their dedication and commitment throughout the year, and our shareholders for their continued trust and support.

Håkan Lagerberg
CEO - Swedencare
Malmö, 2026

Health, prevention and premiumization shape the global pet care market

The global pet care market is undergoing a structural shift toward preventive health, premium products and science-based solutions. Changing consumer expectations, combined with evolving retail dynamics, are creating long-term growth opportunities for companies with strong brands, proven efficacy and broad market access.

Market overview

The global pet care market is in a long-term expansion phase. Spending on pet care products and services is projected to exceed $380B in 2025 and surpass $500B by 2030 (about 5–6% CAGR).[4 1] This growth is underpinned by strong humanization and premiumization trends. Today "pets as family" is the norm: roughly 91% of pet owners worldwide say pets are important family members[2], and younger Millennials/Gen Z are driving rising pet adoption (US Gen Z ownership jumped 43.5% in one year).[3]

These owners prioritize high-quality, functional products: US premium pet food sales are expected to grow 20–25% annually through 2030[4], and over 70% of Millennials and Gen Z pet owners report using calming supplements for their pets[3]. At the same time, digital engagement is accelerating - US pet e-commerce is projected at ~$58B by 2030[4], and omnichannel shoppers (those who buy both online and in-store) account for roughly 80% of all pet-category spend[5].

Structural pet market growth and powerful trends (humanization, premiumization, preventive health[6]) directly support Swedencare's focus on science-backed supplements and pet health solutions.

Regional insights

North America and Europe remain the largest pet care markets, together accounting for roughly 70% of global spending[4]. The US market is dominant (~$150B in 2025)[4], and Europe is similarly large (~$130B)[4]. These mature regions show steady but moderate growth - Euromonitor forecasts below-world-average expansion in North America/Europe through 2029.[11]

By contrast, Asia-Pacific (led by China) and other emerging regions are the fastest-growing. China is ~$37B (2025)[4] and climbing, and overall APAC growth runs ~6% annually[4]. Latin America is expanding rapidly as new brands enter the market, and consumers show increased interest in health and wellness products for their pets.[2 4]

Within Europe, demand is both large and health-oriented. Survey data show 1 in 3 European pet owners purchase pet probiotics or other biotics at least once a year, and over half of European pet parents will pay extra for treats with supplementary benefits.[7] Key health concerns in Europe include healthy aging/general wellness, mobility (joints), dental/oral health, and skin/coat health[7], areas where Swedencare already offers solutions. Notably, cat ownership is rising globally and in Europe; cat food and treat segments are growing fastest (cat treats lead growth in Europe)[8].

Swedencare's broad geographic presence, spanning stable markets and high-growth regions, provides a diversified growth profile. Its products match the top regional needs identified above, enabling leverage of both mature-market stability and emerging-market expansion.

Channel insights

Pet care distribution is increasingly shaped by omnichannel shopping behavior, where consumers combine online and in-store purchases. NielsenIQ reports that almost 80% of pet care dollars come from "true omnichannel shoppers" (those who buy both online and in-store), highlighting that growth is not purely an online shift but a broader change in how shoppers navigate channels[11]. At the same time, NielsenIQ notes that online purchasing is becoming more prevalent and accounts for a meaningful share of total pet care sales, supported in part by subscription-based purchasing for essential items[11 14].

Digital platforms are also playing a more active role in the path to purchase. In connection with Global Pet Expo 2025, Pet Food Processing (citing NielsenIQ Omnisales) describes TikTok as an increasingly influential platform for pet-related product discovery and inspiration, highlighting its growing role in shaping consumer awareness and consideration[15]. This dynamic shortens the journey from product discovery to transaction and adds another layer to how brands reach consumers alongside traditional retail and e-commerce.

Within retail, channel mix remains important. While online continues to represent a significant route to market, the US pet supplement category remains distributed across online, pet specialty and FDMC (food, drug, mass, club), and traditional retailers are expanding shelf space and interest in pet supplements[10].

The Big Box/FDMC channel is gaining share. Large food, drug, mass and club retailers are increasing their presence in the pet supplement category, reflecting growing interest from major retail chains in preventive pet health products.[10] Swedencare's recent expansion (e.g. launching 18 NaturVet SKUs in Walmart and others) reflects this trend: being in Big Box outlets is "essential" to reach more pet parents[10].

As pet care spending concentrates in omnichannel behavior and digital influence grows, Swedencare's ability to execute across online, specialty and FDMC becomes increasingly important. A broad channel presence supports accessibility, strengthens brand reach, and positions the company to capture growth as retail dynamics continue to evolve.

Product insights

Product demand within pet care is increasingly shaped by preventive, health-focused solutions and functional products with a clear purpose. Industry sources highlight growing momentum in supplements and wellness-oriented offerings, reflecting pet owners' interest in solutions that support long-term wellbeing across different life stages.[8 12 17]

Pet supplements represent a central component of the broader shift toward preventive pet health. Industry and consumer research indicate that supplements are increasingly used as part of regular care routines to support areas such as digestion, mobility, calming and overall wellness, rather than as occasional or problem-specific solutions.[1 2 17]

Purchasing patterns suggest repeat usage and integration into daily feeding, with a significant share of pet owners buying pet health products on a recurring basis and showing willingness to invest in functional solutions that support long-term wellbeing.[17] This positions supplements as a structurally important category within the evolving pet health landscape.

Consumer research further indicates rising expectations on ingredient quality, functional benefits and product credibility, with pet owners increasingly valuing transparency and clearly articulated product claims when choosing health-oriented pet products.[9 11 12 17]

As preventive and functional pet health categories continue to expand, Swedencare's focus on supplements and dental care, supported by strong brands, documented quality standards and broad distribution, positions the company well to capture long-term demand growth.

Summary & strategic implications for Swedencare

Structural long-term growth in premium and preventive pet care, combined with Swedencare's focused product lineup and expanding omnichannel presence, underpin a positive outlook for the company. The accelerating pet wellness trend is a durable tailwind for Swedencare's health supplements and dental solutions.

Global pet care spending 2030:

$500B

>USD 380 billion (2025) >USD 500 billion USD (2030)[1]

Pet health segment: Growing faster than overall market[16]

North America:
~40 % of global pet care spend[4]
Europe:
~1/3 of global spend[4]
Asia-Pacific:
Fastest-growing region (mid-teens % annual growth)[4]

Top channels: Omnichannel shoppers account for roughly 80% of all pet-category spend[5].

12-14%

while the average lifespan of cats increased from 12.3 to 14 years and that of dogs from 11.6 to 12.9 years during 2010–2022.*

**Source: Handelsbanken Animal Health Presentation*

[1] *Bloomberg Intelligence (2023) - Global Pet Industry to Grow to USD 500 Billion by 2030.*
[2] *ADM (2025) - Global Pet Nutrition Insights Report 2025.*
[3] *American Pet Products Association (APPA) (2025) - 2025 State of the US Pet Industry Report.*
[4] *GlobalPETS (2024) - The Future of the Global Pet Sector – Global Pet Industry Outlook.*
[5] *NielsenIQ (2024) - The Omni Pet Channel & Shopper Report.*
[6] *Euromonitor International (2025) - Top Pet Care Trends 2025: Pricing Pressure, Premiumisation and Pet Health.*
[7] *ADM (2024) - EMEA Pet Health & Nutrition Insights.*
[8] *Petfood Industry (2024) - Global Pet Care Market at USD 200 Billion in 2024; Cats Rising*
[9] *NielsenIQ (2025) - Global Pet Expo 2025: Key Trends & Themes.*
[10] *Swedencare (2025) - Big Box Expansion – Bringing Pet Care Closer to Pet Parents*
[11] *NielsenIQ (2024) - The Full View of the Pet Industry: A Comprehensive Analysis of Consumer and Product Trends.*
[12] *Nutraceuticals World (2024) - The Pet Health Market: More Humanized Than Ever.*
[13] *Euromonitor International (2025), via Business Wire - Pet Care Market Experiences Shift as Feline Favouritism Drives Growth.*
[14] *NielsenIQ (2024) - How Pet Owners Spend Smartly During Budget Crunch.*
[15] *Pet Food Processing (2025) - Online Shopping Remains a Vital Growth Driver for the Pet Industry.*
[16] *The Business Research Company (2024) - Pet Healthcare Global Market Report 2024.*
[17] *ADM (2024) - The Next Big Thing in Pet Care – Global Pet Health & Functional Nutrition Insights.*

Big Box / FDMC

Big Box (Food, Drug, Mass and Club; "FDMC") is an increasingly relevant route-to-market for pet health, complementing e-commerce and specialty retail. For Swedencare, the channel represents a new growth possibility, expanding reach and visibility for preventive pet health products while remaining consistent with an omnichannel go-to-market strategy.

Channel mix

E-commerce represents 73.9% of US pet supplement sales, while Pet Specialty accounts for 13.7% and FDMC for 11.6% of category sales.[1]

FDMC market structure

The FDMC channel is relatively concentrated, with the leading brand accounting for 38.6% of dollar sales and the top three brands together representing approximately two-thirds of FDMC category sales.[2]

Why the channel matters

Industry analyses highlight that large-scale retailers increasingly influence pet care purchasing decisions, both online and in physical retail, reinforcing the importance of presence across mass retail and digital touchpoints.[3]

External market commentary further shows that omnichannel shopping behaviour continues to shape pet care growth dynamics, with convenience, availability and retailer reach becoming increasingly important factors in consumer purchase decisions.[4]

What this means for Swedencare

While FDMC remains smaller than e-commerce in pet supplements, it already represents a meaningful share of category sales and an important incremental reach opportunity. Expansion within Big Box channels supports Swedencare's strategy to broaden accessibility and brand visibility for preventive pet health products, while maintaining focus on trusted positioning and long-term category development.[1]

Walmart | Costco Wholesale | CVS Health

FDMC PET SUPPLEMENTS IN THE USA

264	3.6%
MUSD annually	Growth 2024 vs. 2023

[1]Swedencare (2024).
Big Box Expansion – Bringing Pet Care Closer to Pet Parents (Q3 communication).
Data based on NaturVet internal estimates and Numerator TruView.
[2]NaturVet / Numerator TruView (2024).
Pet Supplements – FDMC Market Topline and Brand Share.

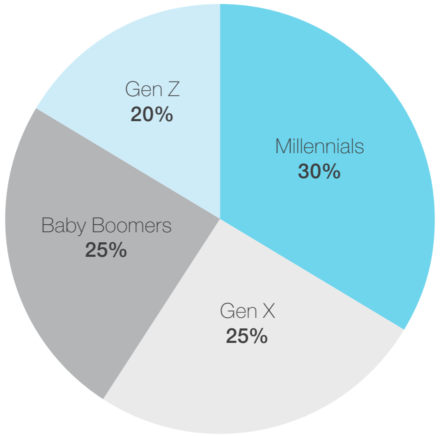
[3]Petfood Processing (2024).
Big-box retailers dominating the online pet care space.
[4]Petfood Processing (2025), med hänvisning till NielsenIQ.
Online shopping remains a vital growth driver for the pet industry.

Owning a cat is more common than owning a dog

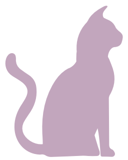
and among cat owners, 52% are men and 48% are women[1].

PET OWNERSHIP BY GENERATION (US)[3]

Millennials remain the largest group of pet owners, while Generation Z represents the fastest-growing segment.

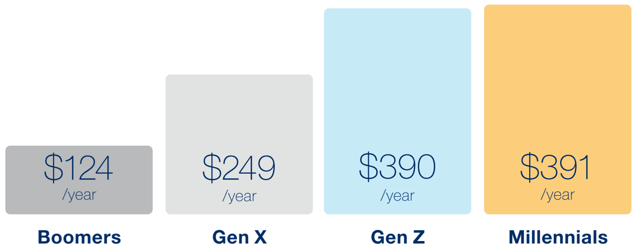


ANNUAL COST OF OWNING A PET[2]



CAT USA	DOG USA
$1000	$1700
CAT EUROPE	**DOG EUROPE**
€500	€739

ANNUAL SPENDING ON VITAMINS AND SUPPLEMENTS



1B
There are more than one billion pets globally, with dogs and cats being the most common companion animals.[1]

2/3
Two-thirds of US households with pets have more than one animal.[2]

94M
pets live in American households, an increase of 12 million since 2023.

78%
believe that owning a pet is beneficial for their health.[3]

78%
of global pet owners are interested in products that can increase their pets' lifespan.[3]

67%
consider their pet's health to be just as important as their own.[3]

85%
of pet owners state that proper nutrition and supplements are just as important for their pets as they are for themselves.[3]

1/3
One third of the total monthly cost of owning a pet consists of veterinary care, vitamins/dietary supplements and prescription medications.

[1]Mars Global Pet Parent Study, 2024
[2]APPA 2023-2024 National Pet Owner Study & State of the Industry report 2024
[3]The Seven Segment of Pet Owners, APPA 2025
[4]The State of Pets, Harris Poll October 2024

Pet supplements & functional treats

Pet supplements are moving steadily from "nice-to-have" to a routine part of preventive pet care, increasingly purchased alongside (or embedded within) treats and other convenient delivery formats. Global market forecasts point to continued category expansion, supported by increasing awareness of supplements and pet health (especially among Millennial and Gen Z) and pet owners' willingness to invest in proactive health solutions.[1]

Market snapshot: supplements as a fast-growing wellness category
Industry estimates indicate that the global pet supplements market represents a meaningful and expanding wellness category. In the US, retail sales have grown to a significant scale, reflecting sustained momentum driven by health and wellness trends.[2] Together, these indicators reinforce a long-term shift toward preventive care products and functional benefits that extend beyond basic nutrition.

What pet parents want: targeted benefits, credibility, and preventive intent
Consumer expectations are increasingly benefit-led. Research among pet owners who use treats and/or dietary supplements shows that expected benefits commonly include skin and coat health, digestive and gut health, general wellness, dental and oral health, immune support, and joint health.[3] This aligns with broader global insights showing that pet parents commonly look to supplements to address healthy aging and general wellness, mobility, dental and oral health, skin and coat condition, and digestive health.[4]

At the same time, trust signals matter. ADM's global research indicates that 97% of consumers say the primary health benefit claimed on packaging informs their purchasing decisions for functional pet products, and branded health ingredients are important to many buyers (including 63% of dog owners and 61% of cat owners).[4] This underscores why clear, credible benefit communication and ingredient transparency have become competitive differentiators in the category.

MARKET SIZE & GROWTH (GLOBAL + US)

- **Global pet supplements market:**
  Valued at USD 2.95 billion in 2024, forecast to reach USD 4.82 billion by 2032[1]
- **US pet supplements market:**
  Retail sales have surpassed USD 2.7 billion, driven by health and wellness demand[2]

WHAT PET PARENTS EXPECT FROM SUPPLEMENTS

Among pet owners using dietary supplements, the most commonly expected benefits are:

- Skin & coat health **52 %**
- Digestive / gut health **52 %**
- General wellness **51 %**
- Dental / oral health **44 %**
- Immune support **38 %**
- Joint health **37 %**

Usage patterns: a split between "daily preventive" and "occasional/curative"

Dietary supplement usage shows a polarized pattern. Research indicates that a substantial share of dogs and cats are given supplements as part of a daily routine, while others receive supplements only occasionally, consistent with a divide between preventive wellness habits and more episodic, issue-driven use.[5] This split supports a two-speed market: one anchored in daily wellness routines, and another driven by specific needs or life-stage events.

Delivery formats: "treatification," palatability, and convenience drive adoption

Format is increasingly central to category growth. LOOP reports that chews are the preferred dietary supplement format, particularly for dogs, and that supplements are often administered mixed with food (especially wet food for cats).[6] ADM similarly highlights that soft chews have become the most popular pet supplement format, with palatability and enjoyable flavor/format cited as important purchase drivers.[7]

In parallel, functional benefits are increasingly delivered through treats. In Europe, ADM notes that pet parents show interest in functional treats for visible concerns such as oral health and joint health, and that acceptance is supported by trusted recommendations (e.g., veterinarians or pet care professionals).[8] Together, these findings illustrate ongoing convergence between supplements and treats - where "everyday compliance" depends on taste, convenience, and trusted benefit claims.

What this means for Swedencare

The category's direction - preventive health, credible functional benefits, and palatable formats that fit daily routines - aligns with Swedencare's position in pet health supplements and dental solutions. The growing convergence between supplements and treats reinforces the strategic value of combining clear functional claims with high-compliance formats, supporting continued product innovation, portfolio differentiation, and omnichannel expansion.

[1]Fortune Business Insights (2025)- Pet Supplements Market
[2]Petfood Industry (24 Sept 2024) – US pet supplement market
[3]LOOP (2025) – Treats, Dietary Supplements & Toppings (Global)
[4]ADM (2024) – The Next Big Thing in Pet Care – Global Pet Health & Functional Nutrition Insights
[5]LOOP (2025) – Treats, Dietary Supplements & Toppings (Global)
[6]LOOP (2025) – Treats, Dietary Supplements & Toppings (Global)
[7]ADM (2024) – The Next Big Thing in Pet Care – Global Pet Health & Functional Nutrition Insights
[8]ADM (2024)- EMEA Pet Health & Nutrition Insights

USAGE PATTERNS & COMPLIANCE*
Users of treats or supplements in FR, UK, NA and LATAM

Supplements split between daily routines and episodic use

Daily supplement use:
- Dogs: **43 %**
- Cats: **31 %**

Occasional use (once a year or less):
- Dogs: **14 %**
- Cats: **23 %**

THE GLOBAL PET CARE MARKET

5-6%

Expected CAGR growth between 2025 and 2030

Source: Bloomberg Intelligence (2023). "Global Pet Industry to Grow to $500 Billion by 2030"

THE PET HEALTH CARE MARKET (VETERINARY, PHARMACEUTICALS, AND WELLNESS)

9%

Expected CAGR growth between 2024 and 2029

Source: The Business Research Company, Global Pet Healthcare Market Report (2024)

From a local company to a global group

Today, Swedencare is a unique, entrepreneurial and fast-growing global pet health group with several strong brands and a global presence. We operate from 20 sales and marketing offices and several of our own production facilities, as well as through distributors, partners and sales in 70 countries.

For many years, our business was built around our oral health product family ProDen PlaqueOff®. With the strong brand recognition and long market presence of ProDen PlaqueOff® as our foundation, we have successfully established a global distribution network across all continents in what is otherwise a fragmented and highly local market.
During the past five years, efforts to broaden the product portfolio have intensified while we have expanded our presence in important veterinary and digital sales channels. In the second half of the year, the Group also entered a completely new channel, the "Big Box / FDMC segment"*, through the launch of NaturVet in more than 1,400 Walmart stores, which is expected to become an important platform for future growth in North America.

Growth and acquisitions

Since 2020, Swedencare has completed a number of strategic acquisitions that have significantly broadened the Group's product portfolio and strengthened its global position. Between 2020 and 2022, more than ten companies were acquired, and the number of employees increased from 45 to approximately 500. From the beginning of 2016 to 2025, the Group acquired 16 companies and expanded from five employees to 613. Entering 2025, Swedencare had its broadest product offering to date, covering most therapeutic areas within companion animal health, with a global presence and products available across all major sales channels. The year 2025 was primarily a period of consolidation and integration, with a strong focus on delivering continued growth while realizing identified synergies and internal efficiencies. The Group also strengthened its organization by recruiting several new employees to support strong customer growth and to capture opportunities related to product development and the launch of our brands in new markets.

Through exclusive partnerships and clearly defined strategies, Swedencare has strengthened the positioning of several brands and successfully introduced new products and concepts. Most Group companies reported growth during the year. Swedencare UK achieved revenue growth exceeding 81%, driven by strong demand on Amazon UK and successful market development. At the same time, a few companies experienced a transition year, including NaturVet, where growth returned during the second half of the year, with 22% growth in the fourth quarter. We expect this positive development to continue through 2026 and beyond, paving the way for strong growth in the coming years. Our European team and product offering are well aligned with the growing demand for our Soft Chews products in Europe, and we expect this trend to continue in the coming years. At the same time, we continued to strengthen our online team in order to meet changing purchasing preferences among pet owners regarding where they buy products. Overall, the year was characterized by strategic decisions and targeted initiatives, and we look forward to continuing this growth journey.

Research, documentation and regulatory compliance

There are no shortcuts to developing safe and effective quality products. Since the founding of Swedencare, our products have been based on studies and scientific validation. Our product development is always grounded in scientific research,

** For more information, see page 13*

most often conducted in collaboration with external experts such as professors in animal health, as well as with our own testing specialists and product development teams. In recent years we have conducted a number of clinical studies on our original product, ProDen PlaqueOff®, with the aim of obtaining the right to use the VOHC seal (Veterinary Oral Health Council) on our products. All studies delivered results exceeding VOHC's requirements. This strengthens the Group's competitiveness and reinforces the brand's position in the premium segment.

Swedencare has many years ahead of it with new product launches designed to meet emerging needs in the pet health market. Within the Group, research and development activities take place at different levels. Some subsidiaries conduct their own research, while others benefit from research carried out by sister companies and external scientific publications. Regardless of the structure, scientific evidence and documentation remain the foundation of all product development. It is also commercially beneficial to demonstrate that our active ingredient can be incorporated into different formulations and product formats. New and easier ways of administering supplements to pets have become an increasingly important factor in reaching new end customers, as consumer preferences evolve.

The Group's production facilities are regularly inspected by the US Food and Drug Administration (FDA) and corresponding regulatory authorities in international markets. In the US, we follow industry standards established by NASC (North American Supplement Council). NASC is an industry organization that has developed its own regulatory framework governing supplements and ingredients under the oversight of the FDA. Several Swedencare employees and companies were founding members of NASC and remain active participants in the organization's board and activities. During 2026, additional certification initiatives are planned to further strengthen quality management and meet increasing regulatory requirements. This includes ensuring that all production facilities comply with GMP (Good Manufacturing Practice) standards. The work to certify our production facilities according to the Safe Quality Food (SQF) standard is progressing according to plan. The first facility is expected to be certified in Q2 2026, with the remaining facilities to follow successively during the rest of the year.

A solid platform for growth

Over the years, our objective has been to bring our original premium products to a broader international market. At the same time, our ambition has been to expand the offering beyond dental care to include health products across several therapeutic areas. Swedencare has now evolved in the direction originally envisioned: oral health has become pet health, and a local company has become a global group. Today, the Group generates revenue of more than SEK 2.7 billion and continues to grow faster than the market. We expect this trend to continue for many years to come, as we are still in the early stages of realizing the full potential of the integrated and leading group we are building within our industry.

A clear business model

For some time, we have pursued an active acquisition strategy focused on establishing and expanding our presence across the major therapeutic areas for dogs, cats, and horses within the premium segment. Our ambition can be summarized in our current strategic objective: to become a leading global companion animal health group. Companies we acquire are characterized by high quality within their field of operation, an entrepreneurial business spirit and strong growth potential. The success of our business model is based on a combination of organic growth and selective acquisitions, supported by several key components:

- Global market presence supported by a scalable platform
- Collaboration and knowledge exchange between Group companies
- Documented products based on scientific evidence
- Synergy-driven processes in production, sales, and marketing
- Strong ownership engagement within management and staff

This integrated structure creates an unbroken value chain, from research and development to production, distribution, and end customer.

Our product development is always based on scientific research, most often in collaboration with external experts such as professors in pet health.

Corporate culture and management expertise

Swedencare contributes both corporate culture and management expertise that support the leadership of acquired companies. At the same time, Group companies gain access to each other's sales, distribution, and communication channels. This allows companies to grow more quickly than they would have done independently. The acquisition strategy also drives increased organic growth within each individual company – one plus one becomes more than two. The culture within the Group is characterized by collaboration, openness, honesty, and unpretentiousness. Our product development is always based on scientific foundations, often in collaboration with external experts such as professors in animal health.

Long-term growth agenda

Swedencare represents care for the well-being of pets combined with a business-oriented and entrepreneurial approach to company building and growth. The business model we have developed provides a positive outlook for the future, with a clear ambition to grow faster than the market.

In the coming period, our focus will be on:

- Continued international expansion
- Further development of online sales
- Product innovation and launch of documented premium products
- Enhanced realization of synergies within the Group
- Continued selective acquisition strategy
- Sustainable and long-term profitable growth

Control over research, development, and production

Control over research and development as well as the production, is a central part of our strategy to deliver premium products of the highest quality. Through our acquisition strategy we integrate companies which share our focus on quality, safety, and scientifically proven product development.

In this section, we present our five companies within the production segment. In addition to developing and manufacturing the group own branded products, several of these companies also offer advanced contract manufacturing. This means that they research, develop and produce for external customers as well. Our production companies meet the highest industry standards and ensure high-quality products while strengthening the trust in our brands in the market.

Swedencare Tillverka, Texas, USA

In 2020, Swedencare established a manufacturing facility outside Houston, which began production in early 2021. Since then, the production line has manufactured all ProDen PlaqueOff® Powder products for the North American market. This achieved the goal of taking control over the entire production process, from raw material to finished product, in-house for all ProDen PlaqueOff® Powder worldwide.

Vetio South, Florida, USA

Vetio South has two facilities in Jupiter, Florida. Building one is a 3,700 square meter FDA registered facility focusing on the manufacture of both medicated and non-medicated dermatological products such as shampoos, mousses, creams, wipes, gels, and liquid supplements. Building two was opened in late 2021 and is a 3,300 square meter FDA registered facility that produces nutritional supplement products, including soft chews, tablets and powders. Building two has a complete R&D lab, warehousing and office area. In October 2025 we announced that we will move from the two separate buildings to one that will fit all current operations but also add 6,500 square meters to meet the growing demand while also be able to fit a new product line for treats, all under the same roof.

While most sales are to customers in North America, both buildings produce products also sold in South America and the UK. The business started with just a hand full of products and at the end of 2025 we had 367 active products SKUs (Stock Keeping Unit). Clients range from small online start-ups to large multinational animal health companies selling in retails stores and in the veterinary channel.

Vetio North, Montreal Canada

The facility in Montreal operates under FDA and Health Canada licenses as a pharmaceutical Contract Development and Manufacturing Organization (CDMO). The site performs all aspects of the Chemistry, Manufacturing, and Controls (CMC) activities required by various regulatory agencies around the world to support its clients in bringing approved (Rx) veterinary drugs to market.

When Swedencare acquired Vetio, the Canadian facility was solely focused on R&D and did not handle any production. Following the acquisition, Swedencare invested in Vetio North to build a state-of-the-art manufacturing facility, enabling the company to manage the entire process, from concept to finished product. The 4,300 square meter facility employs highly educated and experienced R&D/analytical chemists, engineers and production personnel who can handle a project from concept to FDA approval for categories such as: Anti-Parasiticides, Pain treatment, Liver disease, Kidney disease, Osteoarthritis, dermatitis, ophthalmology, and other therapeutic classes.

The site is equipped to manufacture a variety of Finished Dosage Forms; Tablets, Powders, Non-sterile liquids, Sterile Liquids, and Soft Chews (based on Vetio's own patented technology). The site also develops and manufactures its own pharma-grade palatants under the FLAVORPAL™ brand. These are flavor systems that are formally registered with the regulatory agencies with a Veterinary Master File (VMF) and are sold around the world to pharmaceutical companies that make animal health products. Clients range from small private equity-backed start-ups looking to bring a new drug to market to some of the largest pharmaceutical companies in the world.

Drug products developed with our FlavorPAL palatant system continuously demonstrate voluntary acceptance in clinic and field studies. It has been compared to competitors with excellent results generating high competitiveness in the market.

Vetio UK, UK

Vetio UK is the rebrand of Custom Vet Products, which was acquired by Swedencare in November 2022. The business operates out of Melton Mowbray in the UK, where it built a new R&D applications laboratory in 2024. Vetio UK develops a wide array of nutritional supplement products, including Soft chews, Capsules, Tablets, Powders, Gels, and Liquid Solutions. To meet the growing demand, Vetio UK entered a new production facility in Hastings at the end of February 2023. At the same time, the business installed the same equipment and process technology for soft chews as is used in Vetio South and Vetio North. This not only gives Vetio UK a competitive formulation but also strengthens collaboration within the group by enabling more companies to share knowledge, research, and development with each other.

Vetio UK manufactures products for clients as a CDMO, while also supplying sister companies within Swedencare in Europe and the UK with Soft Chew products. Clients range from small online start-ups to large multinational animal health companies selling online as well as in retails stores and the veterinary channel.

Vetio Ireland, Waterford, Ireland

Since early 2019, Swedencare Ireland has operated in a modern and well-equipped 2,000 sqm facility designed for efficient production processes and high-quality standards. The factory produces all ProDen PlaqueOff® powder sold outside North America, as well as having production line for ProDen PlaqueOff® soft chews. The soft chew suite was installed in early 2024 using the same equipment and process technology for soft chews as is used in the other three Vetio companies.

In addition to producing ProDen PlaqueOff® products, our Ireland facility operates a pellet manufacturing process that allows for customized dog pellets tailored to customer specifications. The site also manufactures products under the NutriScience trademark including equine products and provides contract manufacturing services to external customers. Furthermore, Ireland produces smaller series of pet supplements in both powder and liquid formats. They sell to clients in Europe, including both internal and external companies.

Soft chews are the most popular format for dietary supplements*

SOFT CHEW

The "soft chew" dosage form is more modern, more palatable and easier to administrate than traditional formats such as tablets or liquids. Its unique texture makes it easy for pets to chew, while allowing the incorporation of great-tasting ingredients without compromising the effectiveness of the active or nutritional components. This improves acceptance among pets and simplifies administration for veterinarians and pet owners across all companion animal types. We utilize this technology both in our Pharma division (Vetio North and Summit) and in our own branded nutritional supplement products. The technology we use is unique and patented in all our major markets.

NATURVET AND SUMMIT

Naturvet, acquired in 2022, and Summit, acquired in 2025, also have their own production facilities and develop, manufacture, and sell their own products. In that sense, they are production companies as well, but since their focus is selling their own brand, they are classified as sales companies and belong to the North American and European segments, respectively. The expertise of our employees, along with the development and production processes, ensures that these two companies maintain the same high-quality standards as those within our production segment.

GMP AND CGMP, GMP+

All our production facilities comply fully with Good Manufacturing Practice (GMP) and current GMP (cGMP) standards, ensuring products are consistently manufactured and controlled under strict quality frameworks—from raw material sourcing to final packaging. We also hold GMP+ certification for pet food production and trade, guaranteeing feed safety, quality, and traceability throughout the supply chain. Every step, from ingredient sourcing to distribution, is carefully monitored to prevent contamination and maintain full regulatory compliance.

*LLOOP (2025) – Treats, Dietary Supplements & Toppings (Global)
ADM (2024) – The Next Big Thing in Pet Care – Global Pet Health & Functional Nutrition Insights

Strategic acquisitions 2025

SUMMIT
A Member of the Swedencare Family

Acquisition of a leader in the growth segment Animal Health Specials

Swedencare acquired Summit in April 2025, marking a significant step into a new segment of the veterinary market for us. Summit develops, manufactures, and sells Animal Health Specials exclusively to veterinarians in the UK and Hong Kong. At the time of the acquisition, Summit already served more than 5,500 veterinary clinics in the UK, demonstrating both reach and trust within the market.

The acquisition opens new opportunities and synergies within the Group. Through Swedencare's patented soft chew technology, Summit gains access to a premium dosage format that makes it possible to offer pharmaceuticals in a palatable and stable format. Demand for soft chews is high, but challenges within pharmaceutical technology have so far limited availability. With access to our technology, developed and refined over more than a decade, Summit will soon be able to offer active pharmaceutical products in soft chew form.

With strong profitability, a growing product portfolio, and access to advanced technology, Summit is now ready to take the next step. The acquisition paves the way for Summit's expansion both within Europe and into additional markets while also strengthening Swedencare's position as a leading player in animal health.

"The team at Summit and I are excited to join Swedencare's expanding platform. Together, Swedencare and Summit will be able to leverage our shared commitment to innovation by delivering first-class veterinary medicines and elevating the standard of veterinary care globally. Our collaboration will ensure that veterinarians have access to the best available pharmaceuticals, enabling them to provide exceptional care to their patients."

Steve Organ, Director at Summit Veterinary Pharmaceuticals Limited.

PACK APPROVED
PREMIUM QUALITY DOG PRODUCTS

Asset acquisition in the rapidly growing treats product group

At the beginning of the year, Swedencare took another step in its growth journey by acquiring the brand Pack Approved®. Following a successful collaboration in 2024 with our treat brand Riley's, the acquisition became a natural next step.

Pack Approved offers treats containing one or two ingredients with unique protein sources. Pet owners are increasingly demanding high quality and sustainably produced treats for their animals, and this acquisition enables us to use our existing sales channels to offer differentiated solutions to a broader range of customers.

The brand is primarily sold online via platforms such as Amazon and Chewy and was integrated into our online subsidiary PetMD at the time of the acquisition. By adding Pack Approved® to our portfolio, we strengthen our position in the fast growing treats products group and create new opportunities to offer differentiated products to pet owners worldwide.

"Pack Approved came to us as a well defined, limited ingredient treat brand with a loyal customer base and a clear market position. Given customers' strong repeat purchase behavior and the rapid growth we saw with Riley's® treats, Pack Approved felt like a natural continuation of the growth journey. The acquisition expands our range of natural treat alternatives and strengthens our presence in a category where consistency and loyalty drive long term growth."

Ed Holden, CEO of Pet MD Brands LLC

Strategic acquisitions 2025

Strategic acquisition of an established Amazon operation

In April, Swedencare took control of NaturVet's established Amazon sales, which had previously been managed by a third party. This strategic asset acquisition strengthens our presence on one of the world's largest e commerce platforms. The takeover, originally planned for the end of the year, was brought forward to ensure continuity and avoid risks related to the expiring third party agreement. By taking control of a well functioning Amazon account and associated inventory, we create conditions for continued growth and sustained profitability.

The acquisition allowed us to benefit from increased revenue and synergies already during 2025, while minimizing the risk of lost sales and rising marketing costs. With this acquisition, we reinforce our position in digital commerce and lay the foundation for an even more efficient and competitive e commerce strategy.

"By taking over NaturVet's Amazon sales already in April, instead of at year end, we ensure continuity and see a positive impact on both revenue and profitability during 2025 while eliminating the risks associated with an account migration and strengthening our fastest growing channel."

Håkan Lagerberg, CEO

Minority investment in an innovative emerging company

During the third quarter of 2025, Swedencare invested in a minority stake in Viyo, an innovative Belgian company that develops liquid products designed to strengthen pets' immune systems, support post operative recovery, and help cats with chronic kidney disease (CKD). The acquisition includes an option to acquire the remaining shares upon achievement of certain milestones, creating long term potential.

The launch of Viyo's product range within the Group begins with our UK company Nutravet during the first half of 2026, followed by a broader rollout in additional markets in the second half of 2026 and throughout 2027. This investment strengthens our portfolio with innovative solutions and demonstrates how Swedencare combines growth with strategic long term initiatives.

"Viyo's products are of exceptionally high quality and developed with the specific needs of animals in mind. One of their strongest advantages is the excellent palatability, which makes it easy to administer the products even to picky animals — something that is crucial for long term treatment and recovery."

Laszlo Varga, CCO Europe

Strengthened digital position

During 2025 we continued to strengthen our digital business with a focus on scalability, profitability, and brand building. The work is carried out jointly by our E-commerce Performance Team, Global Marketing Team, and Amazon Team, working closely with local market teams to improve content, conversion rates, and operational capacity across prioritized channels.

Amazon – deeper presence and increased control

In the US and the UK, Amazon continues to be the main driver of our online sales. In Europe, we have taken a unified approach by transitioning from the Vendor model to the Seller model across all markets.

This change has provided:

- Greater control over product listings
- Improved assortment management
- Stronger brand presentation on the platform

It has also enhanced the customer experience, improved the quality of product listings, and increased predictability in campaign planning and inventory management.

TikTok Shop and emerging platforms

During 2025 we continued testing TikTok Shop as a channel for reaching new target groups and building brand awareness. The results have exceeded expectations, both in terms of direct sales and through strong cross-channel effects where activity on TikTok correlates with increased demand in other channels. At the same time, the format is more event-driven and less predictable than traditional e-commerce platforms, which we address through a test-and-learn methodology. We have also established a presence on eBay and other marketplace platforms on a smaller scale. Our work shows a clear correlation between improved product listings (content, images, reviews) and increased sales.

D2C – a strategic hub for brand and data

Our own e-commerce channels continue to represent a smaller share of total revenue but remain profitable and strategically important. These sites function as a showcase for the brand, generating both direct conversions and traffic to retailers and marketplaces. This aligns with our strategy of converting consumer interest into purchases regardless of the sales channel. Pilot projects in Sweden confirm that targeted campaigns and improved landing pages have a measurable impact both on our own websites and across external channels. The insights gained will be rolled out across additional European markets during 2026.

Operational capabilities and ways of working – an integrated team of teams

We operate through a clearly defined collaboration model:

- The E-commerce Performance Team drives low-funnel campaigns, conversion optimization, data attribution and testing methodologies.
- The Global Marketing Team ensures brand framework alignment, creative quality and content strategy, while scaling formats across markets.
- The Amazon team is responsible for platform discipline, including listing quality, retail media, assortment management and operational processes.
- Local teams adapt activities to local market conditions and ensure effective execution close to the customer.

amazon

Amazon continues to be a key sales channel in the US and the UK. In Europe, Swedencare has transitioned to the Seller model, which has provided greater control over product content, assortment management and compliance with local regulations, while also improving the customer experience, the quality of product listings, and the efficiency of campaign and inventory management.

TikTok Shop

During 2025, TikTok Shop emerged as an effective channel for reaching new target audiences, driving direct sales and creating clear cross-channel effects, with increased demand also visible in other sales channels. These activities are complemented by testing on eBay and other similar local and global marketplaces, where improved product listings have shown a clear correlation with increased sales.

SWEDENCARE

Direct-to-consumer (D2C) sales remain a smaller share of total revenue but continue to serve as a profitable and strategically important hub for brand development, data and conversion. E-commerce drives both direct sales and traffic to retail partners, and tests in Sweden show that targeted campaigns and improved landing pages generate positive effects across multiple channels. The work is organized through a clear collaboration model combining central teams with local adaptations, creating scalability, speed and high-quality execution.

During the year, we strengthened the Amazon team in the EU with local specialists as well as additional analytical and paid marketing expertise. As the D2C business grows in individual markets, we further strengthen digital capabilities with local resources.
Our operating model follows a test-and-scale approach: initiatives are first tested in a single market, and once clear progress is demonstrated, they are expanded locally and then rolled out to additional markets. The central teams provide support until volume and operational needs justify local recruitment, enabling both speed and high-quality execution.

Content and community – UGC as a growth driver

Following promising test results at the end of 2024, we accelerated our work with UGC (User Generated Content) and influencer collaborations during 2025. The focus has been on authentic customer experiences and formats that strengthen trust in our brands. We have strengthened our central capabilities, developing scalable content formats for global use while collaborating with local teams in executing market activities. High-quality content improves click-through rates, rankings, and conversion rates, particularly on platforms where social proof is a key factor.

Resource efficiency and governance

We have gradually shifted work previously handled by external agencies to internal specialist expertise. In addition to improved control and cost efficiency, this transition has increased the speed of testing, optimization, and learning. Our attribution models continue to improve, but we already rely on data-driven decision-making when prioritizing investments closest to commercial impact – including content, product data, campaign structures, and conversion optimization.

Looking ahead – positioning in an AI-driven customer journey

During 2025 we continued to deepen our understanding of how AI influences the purchasing journey. We will further increase our focus on scaling the right tools, platforms, and working methods to achieve measurable commercial results

Summary

During 2025 we demonstrated our ability to adapt quickly when market conditions change while strengthening control, quality, and execution in our digital channels. Through increased internal specialist expertise, clear responsibilities, and a more data-driven approach, we have built a scalable structure capable of delivering results on established platforms while enabling controlled testing of new ones.

The customer journey continues to evolve, not least through AI-driven product discovery and conversion. Against this backdrop, we believe our combination of strong foundational processes and a structured test-and-learn methodology positions us well to manage increasing uncertainty while continuing to drive profitable growth.

UGC (User Generated Content)
Is content created by users and customers, such as reviews, images and videos, that strengthens credibility and engagement. By showcasing authentic experiences, UGC helps build trust, increase conversion rates and improve visibility in digital channels.

Our strong brands

Swedencare and its subsidiaries are leaders across most therapeutic areas within companion animal health. Customers around the world find trusted health products designed to support nearly every aspect of their pets' well-being. From external care to internal health – covering fur, eyes and ears, oral health, digestion, joint mobility and much more. Below are examples of some of the well-known products and brands within the Group.

ProDen PlaqueOff®

In 2016, sales of ProDen PlaqueOff® amounted to **SEK 49 million**, representing **91%** of the Group's net revenue. By 2025, sales of ProDen PlaqueOff® had increased to **SEK 459 million**, representing **17%** of the Group's total net revenue.

ProDen PlaqueOff®

A natural, effective and clinically proven dental product for dogs and cats. It reduces plaque, helps prevent tartar buildup and improves bad breath.

NaturVet

NaturVet®

A leading brand offering high-quality nutritional supplements for pets. Ranked as one of the most trusted brands in the market.*

According to the GLG Strategic Projects Pet Supplement Market Study

nutravet®

nutravet®

Natural nutritional and dietary supplements supporting daily health and well-being for dogs, cats and horses, primarily distributed through veterinary channels and online platforms.

Innovet Veterinary Innovation

Innovet

Innovative, scientifically based products (developed through proprietary R&D) with patent protection, primarily for veterinary professionals in Italy and selected international markets.

Pet MD®

Pet MD®

Effective supplements, vitamins and topical solutions for pets, widely available through online channels.

SUMMIT
A Member of the Swedencare Family

Summit

Develops, manufactures and supplies customized veterir pharmaceuticals in multiple formulations for veterinary professionals.

Rx Vitamins®

RX Vitamins®

Innovative and proven nutraceutical formulations designed to complement traditional therapies and improve clinical outcomes for pets.

Riley's®

Riley's®

Dog treats produced with entirely natural, high-quality ingredients that provide both a healthy and rewarding snack.

VetWorthy®
Innovative solutions addressing specific animal health conditions, produced according to the highest manufacturing standards.

Animal Pharmaceuticals
Dermatology, dental and nutritional products for the US veterinary sector, sold exclusively through Patterson Veterinary, a global leader in veterinary distribution.

VetWELL®
Veterinarian-developed topical care products for pets.

MedVant
Evidence-based precision nutraceuticals that promote animal health and healthy aging.

Pack Approved
Natural dog treats containing one or two ingredients derived from unique protein sources.

NutriScience
Science-based supplements for horses, dogs and cats designed to enhance performance, support prevention and protect long-term health.

Stratford Animal Care
Veterinary healthcare products distributed exclusively through MWI, one of the leading animal health distributors in the US.

VetClassics®
Veterinarian-formulated supplements for dogs, cats and horses.

Healthy Solutions for Pets
Veterinarian-developed products designed to address a wide range of specific pet health needs.

Healthy Breeds
Nutritional supplements and topical products tailored specifically to the needs of individual dog breeds.

Broad portfolio – stronger position

Swedencare was originally built around our oral health product family, ProDen PlaqueOff®. As the global pet care market continues to grow rapidly year after year, our ambition has always been to broaden our offering to include additional therapeutic areas within companion animal health. Our acquisition strategy is focused on this objective: to expand globally across the major therapeutic areas for dogs, cats and horses, while ensuring that customers can access our products through multiple sales channels.

● Cat & Dog
○ Horse

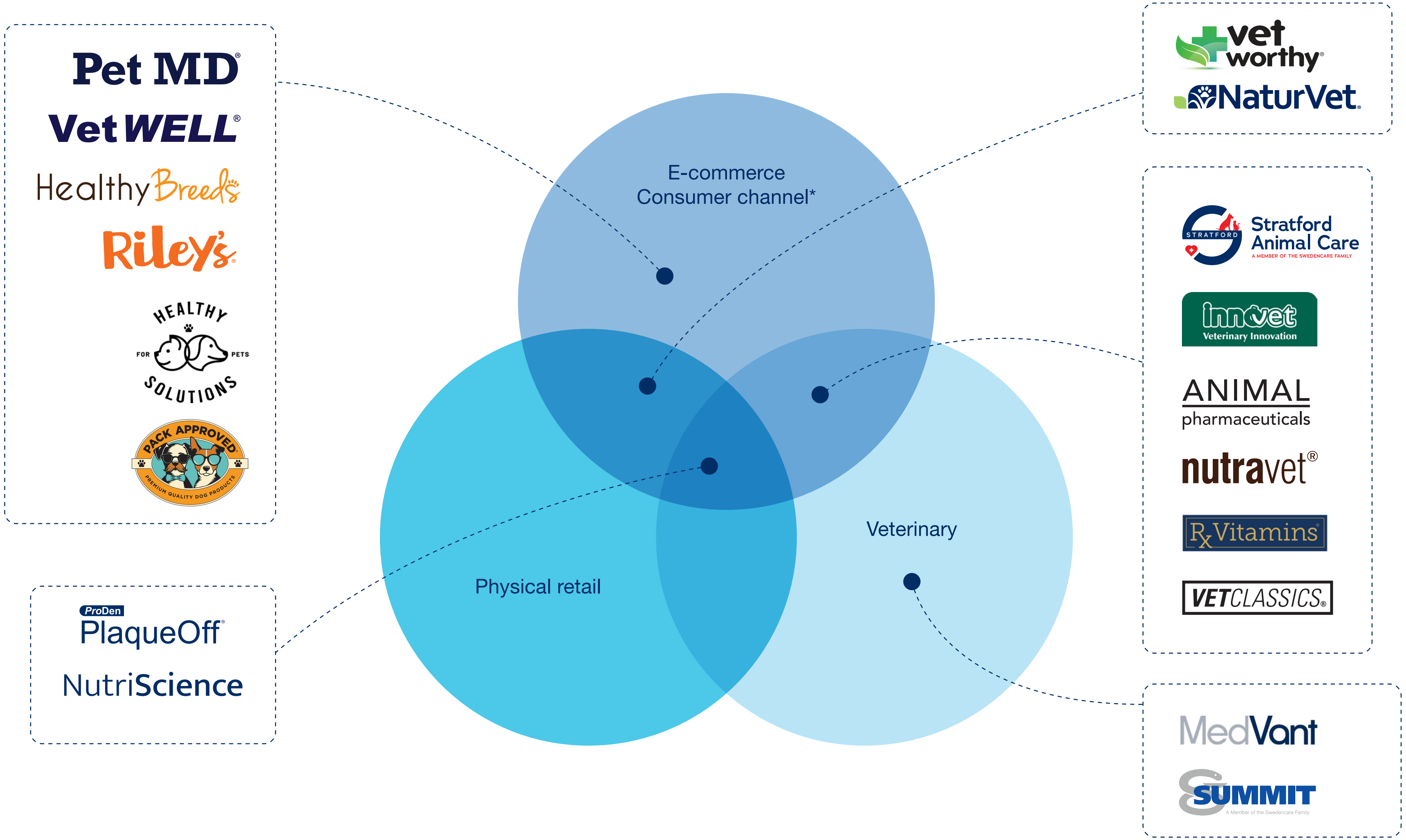
Consumer
Veterinary
Combination

Swedencare's product portfolio and Therapeutic areas

	Allergy	General health	Behaviour	Dermatology & Grooming	Energy & Recovery	Full-spectrum CBD	Physical performance	Coprophagia prevention	Brain health	Heart health	Hoof care	Skin & Coat	Immune system	Joints & Mobility	Liver	Flea protection	Calming	Gastrointestinal health	Metabolism	Muscles	Nervous system & Pain relief	Kidneys	Oral health	Probiotics	Wound care	Yard care	Urinary tract health	Eye health	Ear health
ProDen PlaqueOff®																							●						
NaturVet	●	● ○	● ○	●	●	●		●	●	●		●	● ○	● ○		●	●	● ○	●	●	●			●		●	●	●	●
Nutravet		●	●						●		○	●	●	● ○			● ○	●					●	●					●
Innovet	●		●	●			●		●			●		●				●	●	●	●	●	●	●	●		●	●	●
PetMD	●	●	●	●				○		●		●	●	●	●			●	●				●	●	○	●			●
Summit Veterinary Pharmaceuticals			●							●					●		●	●			●	●					●		
RX Vitamins	●	●	●	●	●	●				●		●	●	●	●		●	●	●	●		●	●	●			●		●
Riley's Organics		●		●								●												●					●
VetWorthy	●	●	●	●				●				●	●	●			●	●								●	●	●	●
NutriScience		● ○			● ○	○	● ○				○	●	● ○	● ○			● ○	● ○		● ○				● ○					
Animal Pharmaceuticals		○	○	●								●		●			●										●		●
Stratford Animal Care		●	●	●					●			●	●	●	●		●	●					●	●					●
VetWELL	●	●		●								●	●	●				●							●				●
VETCLASSICS	●	●	● ○	●	●			●		●		●	●	● ○	●	○	●	●	●	●	●			●			●	●	●
MedVant		●	●									●	●	●	●		●	●				●		●			●		
Healthy Solutions for Pets	●	●	●	●				●				●	●	●			●	●						●		●	●		
Pack Approved		●		●								●											●	●					●
Healthy Breeds		●		●								●		●													●	●	●

Global brand positioning

Our brands are positioned to cover distinct market segments across multiple channels, thereby minimizing cannibalization. The brands are tailored to segment-specific needs, ensuring broad market coverage while preserving each brand's individual identity



*Marketplaces, e-commerce retailers and owned websites.

Product launches during 2025

In 2025, several new products were introduced across key pet health categories, reflecting a continued focus on science-backed solutions that support pets' daily health, well-being, and overall quality of life. These launches demonstrate the group's commitment to practical and functional products that are well accepted by pets.

Redonyl® Veggy Chews is a new plant-based soft chew format of the best-seller Redonyl®. The product is designed to support normal skin function in dogs and cats, particularly in cases of atopic conditions. Through an innovative combination of PEA um (ultra-micronized palmitoylethanolamide) and inactivated lactobacilli (Lactiplantibacillus plantarum), Redonyl® Veggy Chews helps maintain the proper function of the gut-skin axis, thereby supporting skin and coat health. The product contains no animal-origin ingredients and is therefore particularly suitable for animals with suspected or confirmed food allergies or intolerances to animal proteins.

Nutramed® offers antimicrobial care for minor wounds in animals, available as both a spray and a gel. The formulation kills 99.99% of bacteria and are gentle on sensitive tissue. The spray is designed for cleaning minor wounds, avoiding any drying effect or stinging, while the gel provides additional protection for minor and deficit wounds by forming a moisturizing barrier that supports optimal healing. Housed in UV protective packaging, Nutramed® ensures stability and reliable performance, making it a practical solution for every-day first aid.

Relaximal™ Calming Natural Calming supports pets experiencing stress and helps improve emotional resilience without causing sedation. Formulated with essential oils and free from pheromones, the range includes a spray, mousse, wipes, and plug-in diffuser. These products provide flexible options to promote calmness in a variety of situations, helping pets cope with everyday challenges or environmental changes while offering practical solutions for both owners and professionals.

EZ-WIPE™ Finger Wipes are designed to simplify daily hygiene routines, featuring our proprietary Vetaclear™ Technology and a finger-fit format that allows controlled and precise cleaning of skin, ears, face, and teeth. The soft, textured surface cleans effectively without irritating skin, gums, or ears. With multiple formulations to support dermatologic, otic, and oral care, EZ-WIPE™ helps owners maintain hygiene and encourages regular care practices with minimal stress for pets.

Lickable Supplements provide an easy way to deliver essential nutrients and support overall wellness for dogs and cats. Available in Hip & Joint, Calming, and Multi-Vitamin Immunity, these supplements are formulated by veterinarians with well-known ingredients such as glucosamine, MSM, hyaluronic acid, chamomile, melatonin, and hemp seed. The supplements are designed to support joints and mobility, relaxation, and immune function, offering a convenient and practical option for daily use for both pets and their owners.

Award recognition highlighting product innovation and quality

In 2025, several of our products received prestigious industry awards, reflecting their innovation, effectiveness and relevance for pet owners. These recognitions reflect our commitment to high-quality products that deliver effective support for pet health and well-being.

NaturVet All-In-One Daily Care

Dog Vitamin/Supplement Innovation of the Year

NaturVet All-In-One Daily Care is a vet-formulated soft chew supplement designed to support dogs' overall health at every life stage. The product line brings together multiple benefits in one daily format, including support for joints, digestion, immune function, skin and coat, brain and heart health, as well as dental care with the exclusive ProDen PlaqueOff® ingredient. This comprehensive approach simplifies daily wellness routines for dog owners, with a soft chew format and hickory smoked bacon flavor that dogs love.

The Dog Vitamin/Supplement Innovation of the Year award from Pet Innovation Awards recognizes products that demonstrate clear innovation and practical value. The award highlights All-In-One Daily Care's ability to deliver broad, everyday health support in a single, convenient solution.

NaturVet Advanced Probiotics & Enzymes

Product of the Year USA 2025 – Pet Health Category

NaturVet Advanced Probiotics & Enzymes supplements are formulated with probiotics proven to survive through the entire gastrointestinal tract, combined with digestive enzymes to support a healthy and balanced gut. The product line addresses one of the fastest-growing segments in pet health and meets strong consumer demand for effective digestive support.

Product of the Year is the largest consumer-voted awards program in the US. NaturVet Advanced Probiotics & Enzymes was selected as the top product in the Pet Health category through a consumer vote involving 40,000 American shoppers, highlighting strong consumer trust and product quality for pet owners.

ProDen PlaqueOff® Crunchy Dental Bites for cats

Cat Vitamin Supplement Product of the Year

ProDen PlaqueOff® Crunchy Dental Bites for cats offer a simple and effective way to support daily oral health. The formulation includes the clinically studied A.N ProDen®, a natural kelp ingredient that helps reduce plaque and tartar while supporting fresher breath. The crunchy format is designed to be palatable and easy to integrate into a cat's daily routine.

The Cat Vitamin Supplement Product of the Year award from Pet Innovation Awards recognizes products that deliver clear benefits and quality within their category. This recognition highlights ProDen PlaqueOff®'s role in supporting daily oral health for cats.

Sustainability at Swedencare – what we prioritize and why

For Swedencare, sustainability is an integral part of our mission to improve the health and well-being of pets and create reassurance for pet owners worldwide, throughout the animal's life. We take a long-term approach to conducting our operations responsibly, for customers and pets, employees, suppliers and the communities in which we operate. Our sustainability work is intended to be business-oriented, practical and focused on areas where we have a real impact and can deliver measurable improvement over time.

In recent years

Swedencare has continued to grow and evolve as a Group, with operations in several countries and manufacturing facilities in the UK, Ireland, the US and Canada. As our global presence expands, so does the need for coordinated ways of working, clear policies and shared principles for how sustainability is managed across the Group. During 2025, we continued to build these structures and strengthened our internal capability to follow up on priority areas in a more consistent manner.

Materiality in practice

In 2025, we conducted a double materiality assessment to establish a clear basis for identifying where our operations have the greatest impact and where our most significant risks and opportunities exist. The assessment has given us clear direction and helps us prioritize initiatives that both strengthen our business and reduce negative impacts on our surroundings.

Focus areas:

Circular economy, waste and resource efficiency
Reduced environmental impact through lower waste volumes, improvements in packaging and material choices, and an increased share of fossil-free electricity.

Employee well-being and safety
Working environment, health and safety, and skills development.

Customer and pet well-being and safety
Quality, traceability, product safety and information security.

Corporate culture and responsible governance
Ethical guidelines, compliance, transparency and a strong corporate culture.

2025 at a glance

- We donated short-dated products to dogs in need.
- We conducted a double materiality assessment as the basis for our priorities.
- We collected and consolidated Scope 1 and Scope 2 data to create a clearer baseline for the Group.
- We established common working methods and tools for internal follow-up of priority areas.
- We strengthened requirements and documentation in the supplier chain, with a focus on key suppliers.
- We maintained a continued focus on employee engagement, the work environment, and product and customer safety.

How we conducted our double materiality assessment

We began by identifying the sustainability topics most relevant to Swedencare based on our operations, value chain and the requirements of the CSRD and ESRS frameworks. An initial long list of topics was then compiled and grouped into broader sustainability areas.

Internal and external stakeholders were then invited to provide perspectives on which issues are most important and where Swedencare has the greatest actual or potential impact. We conducted surveys among internal and external stakeholders, receiving a total of 53 responses, corresponding to a response rate of 62.5%. This was complemented by more in-depth dialogues with, among others, suppliers, customers, financial stakeholders and employees.

In the next step, we analyzed risks, opportunities and impacts, and carried out an overall assessment of both our impact and the significance for the business over time. Factors such as scale, where in the value chain the issue arises, time horizon and likelihood were taken into account.

Finally, the results were anchored through discussions within Group management and the Board of Directors, where we established a clear direction regarding which areas should be prioritized in strategy, follow-up and future target setting.

The assessment is an internal management tool. The results provide us with a practical compass, enabling us to focus on a limited number of areas where we have a real impact and where we can monitor progress over time with gradually improving data quality.

Targets and follow-up

Swedencare's sustainability targets are designed to be relevant and guiding, we use 2025 as the base year. For some targets, data collection and follow-up are already established, while others will be strengthened progressively as routines and data quality improve across the Group. Group management has overall responsibility and follows up on targets quarterly or annually depending on the nature of the target. The more comprehensive employee survey is conducted every second year.

Target area	Target	Base year (2025)	Follow-up
Fossil-free electricity	Progressively increase the share of fossil-free electricity, with the ambition to reach 90% by 2035 (where market conditions and contracts allow).	53%	Annually
Circular economy / waste	Ensure measurement of waste tonnage (tons) in production and establish tracking of waste intensity (waste per produced unit). Quantitative targets will be set once a baseline is established. See page 36.	Baseline established in 2026*	Annually
Employee engagement	eNPS > 45	44	Every two years
Competence development	≥ 20 hours of structured training per employee per year (on average)	17.37	Annually
Health & Safety	LTIFR < 3.5 by 2031 (three-year rolling average)	5.07	Quarterly
Product safety	No product recalls related to harmful products; robust deviation handling and continuous improvement**	0	Quarterly

** Baseline under establishment. For certain targets, data collection is being harmonised across the Group. The baseline will be finalised in 2026.*
*** One product was recalled as a precautionary measure in 2025; the investigation concluded that the cause was handling error rather than a product defect.*

How we work – governance, responsibilities, policy framework and focus areas

The Board of Directors has ultimate responsibility for Swedencare's operations and oversees sustainability matters as part of the company's overall governance. Executive management is responsible for the day-to-day sustainability work and for ensuring that sustainability matters are integrated into the business. In addition to legal requirements, the Board and management work together to develop guidelines and ways of working that support Swedencare's role as a responsible employer and a responsible company.

The parent company, Swedencare AB, is responsible for establishing and maintaining a common framework for the entire Group. This framework includes policies, governance documents and strategic guidance. At the same time, we place strong emphasis on ensuring that sustainability matters form a natural part of everyday operations across the organization, in production, in our offices and across our functions.

A central part of our governance is to ensure that relevant information is collected and used for monitoring and continuous improvement. During 2025, we therefore continued to develop processes and tools to strengthen data quality, comparability and usability, both internally and across the value chain.

Our policy framework includes, among other things:

- Codes of conduct for employees and suppliers, including requirements related to ethics, compliance, working conditions, human rights, the environment and integrity
- A Sustainability Policy that sets out the framework for how we work with sustainability matters and how our values should be reflected in our operations and external relationships
- Policies and procedures for information security and integrity, including guidance for data management in our digital channels
- A whistleblowing function together with clear and confidential procedures for handling and follow-up of cases
- Common ways of working for quality, occupational health and safety, and regulatory compliance in our production environments

Following changes in the regulatory landscape (Omnibus I), we assess that Swedencare, under current conditions, is not expected to fall within the scope of the Corporate Sustainability Reporting Directive (CSRD) in the near term. We therefore adapt the scope of the information we monitor and disclose externally accordingly. At the same time, we continue to drive our sustainability work with a focus on the areas we consider most material, with the ambition of gradually strengthening follow-up and data quality over time.

Employees – well-being, safety and development

Our employees are our most important asset. High engagement and a safe working environment contribute directly to quality, innovation and customer satisfaction. During 2025 we maintained a strong focus on culture, leadership, skills development and systematic work environment management. Our eNPS score continued to develop positively, indicating a high level of engagement across the organization.

Priorities going forward:

- Continue strengthening culture and leadership within a growing Group
- Continuously improve and update health and safety routines in line with best practice
- Create greater consistency in training follow-up and skills development plans

Product safety and customer assurance

Swedencare's products must be safe, reliable and meet high standards in all markets in which we operate. Product safety, traceability and accurate product information are central to our premium positioning. We operate with established quality systems, clear traceability, complaint and deviation management processes, and a structured improvement framework based on Corrective and Preventive Actions (CAPA). We also ensure that product claims and labeling are reviewed and approved by relevant functions prior to launch.

During the year, we identified a limited quality deviation related to a specific production batch of dental bones and carried out a targeted recall in the B2B channel. The incident was isolated and has not been observed in other batches. At the same time, it demonstrated that our procedures for traceability, rapid deviation management and follow-up function effectively in practice, and that deviations of this nature remain rare.

Following the incident, an investigation was conducted and a CAPA program implemented to further strengthen process controls and reduce the risk of recurrence, including follow-up together with the relevant supplier.

Priorities going forward:

- Continue strengthening preventive quality work throughout the production chain
- Regular follow-up of the Supplier Code of Conduct
- Ongoing supplier audits and monitoring

Circular economy and responsible value chain

Circular economy – resource efficiency, waste and packaging

As a product- and packaging-intensive business, resource efficiency and waste management are key focus areas. We work continuously to improve material choices, recyclability and the gradual development of measurement and monitoring of waste in production. For certain packaging initiatives, such as increasing the share of recycled materials or modifying packaging design, we evaluate available options and balance potential impact, feasibility and cost in order to prioritize the most appropriate measures at the right time.

Priorities going forward:

Ensure measurement of waste volumes (tonnes) in production and establish monitoring of waste intensity, defined as waste per unit produced

Further improve recyclability and material choices in packaging

Increase the share of fossil-free electricity in our operations by progressively strengthening our electricity contracts and solutions where market conditions and contracts allow.

Responsible value chain – suppliers and raw materials

A significant share of our impact and risks is located in the value chain. We set requirements through our Code of Conduct and apply a risk-based approach in which dialogue and follow-up with key suppliers are prioritized. As an example, we maintain sustainability documentation from suppliers of key raw materials, including the marine raw material A.N ProDen™, which is the main ingredient in ProDen PlaqueOff® products. In this case, the supplier can demonstrate relevant certifications, compliance with applicable regulations and documentation related to sustainable harvesting.

Priorities going forward:

Continue implementing supplier requirements in practice, with a focus on key suppliers

Maintain ongoing qualitative and quantitative dialogue with prioritized suppliers

Expand supplier reviews and controls

2025 at a glance

During 2025, our sustainability work included the following initiatives:

Corporate governance

- We invested in a new sustainability reporting system that facilitates the collection and consolidation of data. The system has improved traceability and data quality compared with previous years.
- During the year, we reviewed and updated our sustainability-related policies. We currently maintain three policies related to sustainability: a Code of Conduct for employees, a Code of Conduct for suppliers, and a Sustainability Policy.
- Our double materiality assessment was completed during the year. This enabled us to identify our most material sustainability areas and to establish related targets and key performance indicators.

Environment and climate impact

- At one of our production companies, we invested in a cardboard shredder that allows cardboard packaging to be recycled into packing material and reused before being sent for sorting and recycling.
- We take our extended producer responsibility seriously and are affiliated with relevant EPR systems in the markets where we place packaging on the market. Through these memberships we contribute to the financing of packaging collection and recycling and ensure compliance with local requirements. For example, we are affiliated with NPA (Näringslivets Producentansvar) in Sweden, Citeo in France, Ecoembes in Spain, CONAI/COREPLA in Italy and HERRCO in Greece.
- All Swedencare subsidiaries appointed a local sustainability ambassador during the year to support locally adapted sustainability initiatives. Examples include initiating recycling programs and proposing sustainable improvements at local facilities.
- During 2025, Swedencare Ireland carried out projects aimed at reducing the carbon footprint of products. Among other measures, all lids used for our ProDen PlaqueOff® products will be made from CBF (Carbon Black Free) material. The rollout will begin in early 2026.

Health, safety and ethics

- During the year we conducted our semi-annual employee survey. Participation reached a record level and our NPS score increased compared with previous years. More information about the employee survey results can be found on page 39.
- Following the results of the Group-wide employee survey earlier in the year, each subsidiary developed an action plan aimed at further strengthening areas that were already assessed as good or very good but where additional improvements were identified. This reflects our ambition to remain a leading employer and workplace.

Community engagement

- During the year we continued to base our sustainability work on the United Nations Sustainable Development Goals, and we also made a donation to the United Nations.
- We sponsored Feather in Her Cap, an organization that highlights the contributions of women within animal health.
- We sponsored Amesvi, an organization dedicated to the health and well-being of dogs involved in dog sports.
- During the year we donated WelliChews Calming and WelliChews Digestion to the Hungarian non-profit organization Magyar Macskavédő Alapítvány, which works to help homeless cats. Swedencare Spain also donated products to four local dog shelters as part of our community engagement.
- During 2025, Swedencare collaborated with local educational institutions as part of our community engagement by welcoming a total of 16 interns across several parts of the Group. In Sweden, we hosted three interns from Medieinstitutet (2) and IHM (1). In Ireland, we welcomed a student from Ardscoil Ris in Limerick. In Canada, Vetio North hosted twelve interns in collaboration with Concordia University and Dawson College. The internships varied in scope, from shorter educational placements to more extensive internship periods, with the aim of supporting learning, skills development and knowledge exchange.

By being active across large parts of the value chain, we are uniquely positioned to see the bigger picture and quickly identify positive effects, both in the world around us and within our own operations.

Proud employees – excellent results in this year's survey

Being part of Swedencare means more than just sharing an employer – it also means being part of our world of knowledge. By combining local expertise with global experience, we are building a shared foundation where we grow together. The 2025 employee survey confirms the strong culture and positive work environment we have created – a setting where our employees thrive, stay engaged, and see a future within Swedencare.

A global perspective

Our most recent global employee survey, held every other year, provided valuable insights into how employees experience their workplace, highlighting both strengths and areas for improvement. 457 of 579 employees participated, giving a representative picture of Swedencare's current position. This corresponds to 79% of participants at the time of the survey, compared with 62% in 2023.

The respondents had a balanced gender distribution, 51% women and 49% men, which strengthens result reliability and ensures diverse perspectives. The survey covers four perspectives: Individual, Team, Manager, and Organization, providing a broad understanding of the work environment – from personal well-being and day-to-day collaboration to leadership and overall workplace experience.

Strong results at group level

We are proud to present continued strong results across all areas, with high average scores in all four categories. This confirms that our work environment is not only of high quality but has also improved in several key areas, despite already strong results in the previous survey.

We are particularly pleased that employees feel positive about the future. The statement "I believe we have a positive future as an organization" received consistently high ratings, reflecting strong engagement and shared confidence across the organization. Employees also see how their work contributes to company goals and find their tasks meaningful, strengthening engagement and connection to our shared purpose.

High levels of engagement and satisfaction

The results show high engagement throughout the organization. Our eNPS – Employee Net Promoter Score – reached 44, an increase of 3 points from the previous survey. This is a very strong result, as an eNPS above 20 is generally considered very high and reflects both pride and willingness to recommend Swedencare as an employer. Employee satisfaction follows the same positive trend, with an average score of 4.29 on a scale from 1 to 5 – a level we have not only maintained but improved. Together, the results reflect strong unity, pride, and motivation across the organization.

Key factors behind our success

Employees value strong team spirit, collaboration, and support within teams. Clear communication and opportunities for development are also frequently highlighted, showing that we are creating a workplace where people feel seen, included, and able to grow.

Areas to strengthen for continued success

Although the overall results are very positive, we have identified a few areas we want to continue developing – to stay ahead and keep improving. Although these areas scored well, they are slightly lower than the other areas. These include improving internal communication and strengthening our focus on well-being, particularly stress management. We also aim to better meet the needs of highly skilled employees seeking more challenging tasks. The statement "My work tasks are sufficiently challenging for me" received slightly lower ratings, which we see as an opportunity to further develop roles and responsibilities. By offering more advanced tasks and tailored growth opportunities, we aim to maintain engagement and continue developing employee potential.

Putting employee voices at the center

Employee feedback is essential for shaping Swedencare as an employer. The survey provides clear direction, and we are determined to turn insights into action. We continue to build a work environment where employees feel motivated, heard, and inspired – both now and in the future.

By building on the engagement shown in the survey, we can continue to grow as an employer. We want to extend a big thank you to all colleagues who participated – your perspectives are invaluable.

> I can highly recommend this company because of its commitment to creating a positive and supportive environment for both employees and customers.

> A fantastic company, fantastic products and fantastic people.

> It's a great working environment with opportunities to grow, and it's clear that people enjoy working here.

> I appreciate the company's values and the positive work environment.

> A very good company with great people – the communication and environment are exactly what our warehouse needs.

> The company cares about its employees and hard work is recognized.

> I feel appreciated here and my opinions are respected.

As local as we are global

Our global presence is built on strong local teams. By highlighting experiences from across the organization, we aim to show how our sustainability work takes shape in everyday operations – in production, in our offices and close to our customers.

”The collaborative nature of my role allows me to learn from different perspectives while working alongside colleagues who are fully committed to developing high-quality pet supplements I can truly trust.”

I joined NaturVet as a Food Scientist Formulator in September 2024. In my role, I formulate new pet supplements and improve existing formulas. I enjoy being able to utilize my knowledge of supplements and product development to help improve pets' quality of life. As someone who has a dog, knowing that I am creating high-quality, science-backed products is extremely important to me. One of my favorite things about working at NaturVet is the constant focus on improving product quality. We are always challenging ourselves to think critically, ask questions, and find better ways to enhance what we create, which I find incredibly rewarding. I also enjoy how collaborative my role is, as I work closely with cross-functional team members across the organization. Being exposed to different perspectives and ideas keeps the work interesting and motivating, and it's clear that everyone is committed to putting their best foot forward in everything we do. I'm grateful to be part of a team that values innovation, teamwork, and a shared passion for animal health, and I'm excited to continue growing and contributing at Naturvet.

Janice Cheng & Ritz
Food Scientist Formulator, Naturvet

”Innovet's mission has always been to turn scientific innovation into real value for veterinary medicine. As we celebrate 30 years, we remain committed to research, new therapeutic approaches and international growth—always according to Nature.”

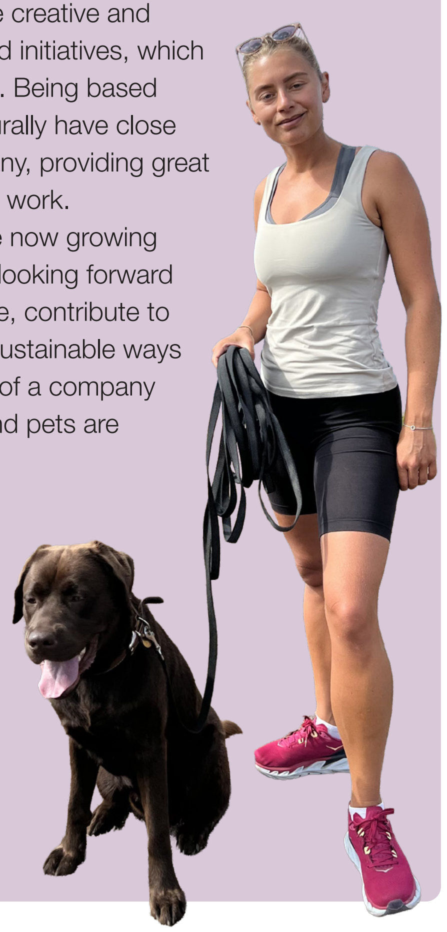
I joined this position almost 3 years ago and I'm very satisfied to see that, in an increasingly competitive market, Innovet consistently achieves excellent results, not only in terms of sales, but also in terms of offering innovative medical solutions for dogs and cats. Over its 30-year history, Innovet has built a strong relationship with its customers thanks to the strength of its product portfolio. Its commitment to "bringing science to the market" through unique, safe, and effective products is recognized by the market day after day. What I like about my work is applying commercial strategies to different types of business partners, while never losing sight of the uniqueness of our products. Quality, expertise, service, and customization are becoming fundamental pillars in responding to the growing needs of supplements for pets.
The market still offers unexplored niches in medical management, leaving concrete opportunities for growth for those who are able to invest in innovation with vision.

Patrizio Cattaneo & Neve
Commercial Director, Innovet

"It's inspiring to be part of a company where commitment and care for both people and pets are always at the heart of everything we do."

What I appreciate most about my job is the variety and the opportunity to be involved in so many different aspects of the business. As a Marketing Coordinator at Swedencare Nordic, it's natural to wear several hats – we're a small, dedicated team that drives our initiatives while working closely with the e-commerce team at Swedencare AB. In my role, I'm responsible for creating marketing materials, campaign content, and the creative and strategic direction behind our consumer-focused initiatives, which makes everyday work both fun and educational. Being based at the headquarters in Malmö also means I naturally have close contact with several functions within the company, providing great insight and short decision-making paths in daily work.
Looking ahead, it's incredibly exciting that we're now growing from two to three people in the team. I'm really looking forward to continuing to strengthen our market presence, contribute to Swedencare's growth journey, and find smart, sustainable ways to reach our customers. It's inspiring to be part of a company where commitment and care for both people and pets are always at the heart of everything we do.

Elin Levenius & Otis
Marketing Coordinator, Swedencare Nordic



"Connecting with people, understanding their perspectives, and earning their trust is what motivates me the most and makes my work feel purposeful."

I genuinely enjoy my work because it gives me the opportunity to build meaningful relationships with others, both internally and externally. Connecting with people, understanding their perspectives, and earning their trust is what motivates me the most and makes my work feel purposeful. Through collaboration and open communication, I'm able to create strong long-lasting partnerships that not only support shared goals but also make the work more rewarding on a personal level. Looking ahead, I'm very optimistic about the future at Swedencare. Pet owners are increasingly viewing their pets as part of their family, and are invested more than ever in preventative health, longevity, and quality of life of our pet family members. I see a future of continued strong relationships driven by a deep understanding of pet owners' needs, staying true to our purpose of helping pets, and continued growth as a company.

James Garcia & Winnie
Chief Commercial Officer,
Swedencare USA

New financial targets

The global pet care and health market is experiencing strong, long-term growth, driven by rising pet ownership, increased consumer spending, and a growing focus on preventive health. Swedencare is well positioned to capture this momentum with its premium, science-backed product portfolio in supplements and dental care. Supported by a diversified geographic presence with products sold in ~70 countries through online channels, pet stores, veterinarians, and FDMC, Swedencare's omnichannel footprint enables it to reach engaged pet owners globally.

Financial targets

- Annual double-digit organic growth
- Establish an Op. EBITDA margin above 26% midterm (approx. 23% Op. EBIT margin)
- Dividend payout* of 40% of net profit, adjusted for non-operating costs
- Net debt/R12 Op. EBITDA (proforma and adjusted for IFRS16) ratio below 2.0**

**Swedencare will propose a dividend that considers the Group's profit as well as its consolidation and investment needs, liquidity, and financial position.*
***Subject to flexibility for acquisitions.*

Growth opportunities across the Group

The updated financial targets are supported by the long term growth in the market, strategic initiatives and structural key growth drivers across the Group. These are the building stones to enable scalable, profitable growth over time.

Long term market growth

The global pet care market is growing steadily. Industry forecasts expect spending to surpass $500 billion by 2030[1]. Pet health (veterinary care, pharmaceuticals, wellness) is expanding even faster[2]. A larger pet population and higher spending per pet create a robust backdrop for Swedencare's science-backed health product portfolio. This broad market expansion provides a supportive long-term demand environment for Swedencare's portfolio of pet health products.

Consumer trends and market forces

Pet owners, particularly Millennials and Gen Z, are driving demand for higher-quality, health-oriented products. Key drivers include humanization, premiumization, preventive care, and digital engagement.

Humanization and demographics

Pets are increasingly treated as family members. US Gen Z pet ownership rose 43.5% in one year, and 70% of Gen Z owners have multiple pets[7].

Premiumization and quality focus

Owners are trading up in food, treats, and services.

Preventive health and wellness

Spending is shifting toward prevention, including supplements and wellness products. Over 70% of Millennial and Gen Z pet owners use calming products for their pets[10], supporting demand for preventive categories such as supplements and dental care.

Digital and omnichannel engagement

E-commerce continues to gain share. US pet e-commerce is projected to reach ~$58.4 billion by 2030, on its way to becoming roughly one-third of all pet consumer spending[11].

Strategic initiatives

Expansion into Big Box retail strengthens Swedencare's channel mix and significantly broadens access to new consumer segments. Big Box, often referred to as the FDMC channel (Food, Drug, Mass & Club), represents a channel opportunity comparable in size to traditional pet specialty retail, making it an important growth lever in the US market.

During the third quarter, Swedencare entered 1,400 Walmart stores and around 1,100 CVS locations, marking one of the Group's largest retail rollouts to date. Importantly, this represents an initial step within a channel that has a substantially larger store footprint, highlighting the long-term expansion potential. In addition, as part of a campaign selection of NaturVet's products is also visible in 600 additional Walmarts stores on end-caps.

By complementing its strong presence in veterinary clinics, pet specialty retail, and online channels, Big Box retail increases visibility, supports higher volumes, and enables scalable growth without diluting product margins. Over time, this expanded channel reach is expected to support both growth and brand awareness across key markets

[1,5:] *Bloomberg Intelligence (2023), "Global Pet Industry to Grow to $500 Billion by 2030".*
[2:] *The Business Research Company, Global Pet Healthcare Market Report (2024).*
[3,4:] *American Pet Products Association, 2025 State of the Industry Report.*

Scaling production to support future demand

Continued investments in manufacturing capabilities, including the expansion of Vetio South in the US, enhance Swedencare's ability to scale efficiently. Increased production capacity and flexibility strengthen the Group's operational platform and support continued growth across product categories and markets.

Summary and outlook

Supported by a structurally resilient and growing pet health market, updated financial targets, and continued investments in channels and operations, we have a strong platform for long-term, profitable development. By aligning our strategic priorities with enduring market drivers, we are well positioned to continue creating value for customers, partners, and shareholders

Pharma

Expected to be one of the fastest-growing product groups, supported by a strong pipeline and good visibility from contracted projects. With higher profitability than the Group average, Pharma growth also supports positive margin mix over time.

Big Box/FDMC retail

A channel opportunity comparable in size to traditional pet retail, expanding reach to new consumer segments without diluting margins.

Amazon, D2C & other online

Continued growth in e-commerce, supported by improved channel economics as key markets transition to in-house operations.

Product portfolio expansion & innovation

Ongoing portfolio expansion across core health categories, supported by science-backed development and strong brands.

Pricing opportunities

Selective pricing initiatives remain available, supported by strong brands and limited historical price increases.

Share

Swedencare's shares were listed on the Nasdaq First North Growth Market on June 14th, 2016. In connection with the listing, a new share issue was carried out for a total of approximately 34.5 MSEK before listing costs, which amounted to approximately 4.3 MSEK, where the subscription price was set at 2.80 SEK*.

At the start of 2025, the share price was 48.24 SEK, corresponding to a price increase of 1,623% from the introduction on June 14th, 2016. 2025 ended at a share price of 38.40 SEK, corresponding to a decline in the stock price of 20% for the year, although still an increase in value of 1,271% since its introduction. The highest quoted bid price for the share was recorded on January 30th, 2025 at 51.50 SEK.

A share split (5:1) was carried out May 25th, 2021, whereby existing shares in the company were divided into 5 shares of the same class.

At the closing date the share capital amounted to 1,588,628 SEK divided into 158,862,839 shares. During the year, a non-cash issue was carried out to the seller of Summit Veterinary Pharmaceuticals Limited, a UK company that Swedencare acquired on April 1st, 2025. The non-cash issue amounted to 978,119 shares, and as of the balance sheet date, the share capital amounts to 1,598,410 SEK, distributed across 159,840,958 shares.

Ownership structure

Symrise AG, as the largest shareholder, had 41.1% of the share capital and votes at the beginning of the year. Due to the non cash issue carried out in connection with the acquisition of Summit, Symrise AG held the same number of shares as of December 31st, 2025, but represented a total of 40.8% of the share capital and votes in Swedencare. The 10 largest shareholders owned 79.8% of the capital and votes. Representatives of the Board of Directors and management hold 64.6%* of the capital and votes.

*Recalculated to the number of shares, respectively share price after the share split 5:1

*Symrise's ownership is represented by their CEO, Jean Yves Parisot and R&D Director at Diana Petfood, Isabelle Guiller, who serves as two of Swedencare's Board members.

Share price Jan 1st 2025

48.24 SEK

Share price Dec 31st 2025

38.40 SEK

Representatives of the Board of Directors and management hold the capital and shares

64.6%*

*Symrise's ownership is represented by their CEO, Jean Yves Parisot and R&D Director at Diana Petfood, Isabelle Guiller, who serves as two of Swedencare's Board members.

Number of shares Jan 1st 2025	158,862,839
Non-cash share issue - acquisition of Summit Veterinary Pharmaceuticals Limited	978,119
Number of shares Dec 31st 2025	159,840,958

Dividend 2025

0.28 /share

Incentive program

At the Annual General Meeting on April 24th, 2025, it was decided to implement an incentive program, including a directed issue of warrants to the company for subsequent transfer at market value to key employees in the US within the Swedencare Group (eSOP). Each warrant entitles the holder, during the period from April 24th, 2028, to July 24th, 2028, to subscribe for one (1) new share in Swedencare at a subscription price of SEK 48.40. A total of 1,080,000 warrants were transferred to 15 key employees participating in the incentive program. As the share price as of December 31st, 2025, was below the subscription price, the program was 'out of the money' for participants at year end. The company's previous option program, which was decided on at the extraordinary general meeting on October 19th, 2022, expired on February 28th, 2026.

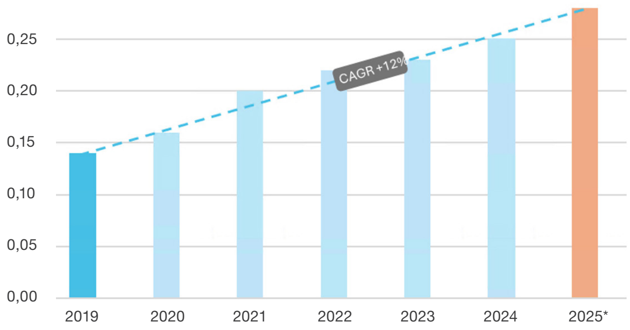
OTC Market

On November 19th 2024 Swedencare's share qualified for trading on the OTCQX® Best Market under the symbol "SWDCF". This is an upgrade from the Pink® market where the share previously has been traded. Upgrading to the OTCQX Market is an important step for companies seeking to provide transparent trading for their US investors. For companies listed on a qualified international exchange, streamlined market standards enable them to utilize their home market reporting to make their information available in the US To qualify for OTCQX, companies must meet high financial standards, follow best practice corporate governance and demonstrate compliance with applicable securities laws.

Dividend

For financial year 2025, the Board proposes a dividend to shareholders of 0.28 SEK per share. This means an increase of 12% compared to the dividend for 2024 of 0.25 SEK per share. The proposed record date for the dividend is April 27th, 2026. The dividend proposed to the Annual General Meeting will be paid to shareholders on April 30th, 2026. A comprehensive assessment of the financial position of the parent company and the Group indicates that the dividend is justified in the light of the provisions of the Swedish Companies Act (Chapter 17, Section 3, paragraphs 2 and 3). The Board of Directors is of the opinion that the proposed dividend will neither prevent the company from fulfilling its obligations in the short and long terms, nor from making necessary investments.

Dividend per share (SEK)



**Dividend of SEK 0.28 proposed by the Board of Directors to the Annual General Meeting – not yet approved*

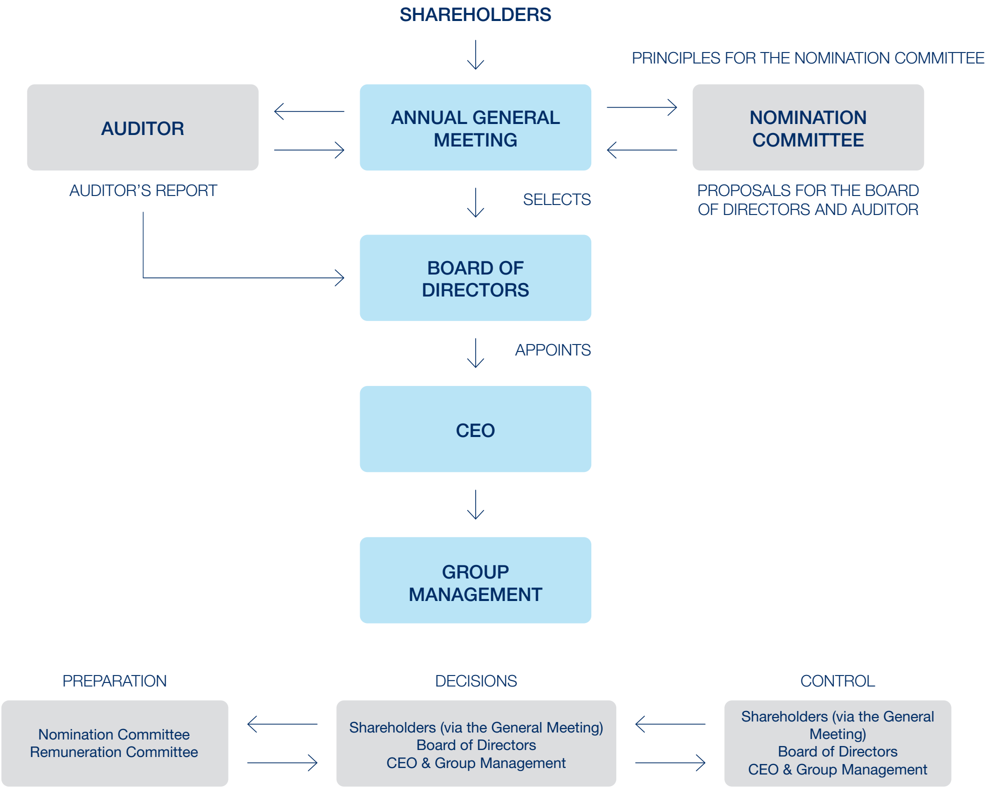
Shareholders (the table summarises Swedencare's ownership structure as of December 31st, 2025).

Shareholder	Number of shares	Ownership
Symrise AG	65,285,601	40.8%
Håkan Svanberg & Co Health Care AB	23,090,775	14.4%
JCC Group Invest Sweden AB (Johan Bergdahl through the company)	7,526,755	4.7%
Handelsbanken Fonder	7,230,067	4.5%
Första AP-fonden	7,151,196	4.5%
Mastan AB (Håkan Lagerberg through the company)	5,760,166	3.6%
Avanza Pension	3,331,691	2.1%
SEB Fonder	3,219,822	2.0%
Alcur Fonder	2,817,223	1.8%
AMF Pension & Fonder	2,167,371	1.4%
Nordnet Pensionsförsäkring	1,857,662	1.2%
Moneta Asset Management	1,265,997	0.8%
Martin Shimko	1,230,000	0.8%
Deka Investments	1,194,134	0.7%
Montanaro	1,193,265	0.7%
Grandeur Peak Global Advisors, LLC	1,138,418	0.7%
Consensus Asset Management	1,000,000	0.6%
Steve Organ	978,119	0.6%
Thomas Eklund	966,142	0.6%
Schroders	950,000	0.6%
Other	20,486,554	12.8%
Total	**159,840,958**	**100%**
Free Float*	55,550,685	34.8%
Holdings including related parties.		

**Shares not owned by members of the Board. management. their related parties. shareholders with more than 10% or that are part of lock-up agreements.*

Governance structure

Swedencare applies a framework of laws, regulations and internal policies to govern the company efficiently, with the aim of generating long-term value for shareholders and other stakeholders. This requires an effective organization, strong internal control, and information and reporting that provide a true and fair view of the company. The following describes how shareholders, by voting at the Annual General Meeting, among other things elect the Board of Directors and the auditor. The Board of Directors is responsible for the company's organization and management and appoints a CEO, who is responsible for the company's day-to-day operations. The auditor examines the company's accounts and the administration of the Board of Directors and the CEO.



Corporate governance framework

Swedencare's corporate governance is based on applicable external laws and regulations, including the Swedish Companies Act, the Swedish Accounting Act, the Swedish Annual Accounts Act, the Market Abuse Regulation (MAR) and Nasdaq Stockholm's rules for issuers on Nasdaq First North Growth Market. These laws and regulations are complemented by internal governance frameworks such as Swedencare's Articles of Association, the Board of Directors' Rules of Procedure, the CEO Instruction, reporting instructions and other Group-wide policies, instructions and guidelines.

Our shareholders

As of December 31st, 2025, Swedencare had 159,840,958 outstanding shares and 9,844 shareholders. At the end of 2024, the company had 158,862,839 outstanding shares and 9,492 known shareholders. All shares are of the same class and each share carries one vote at general meetings. The largest shareholder as of December 31st, 2025 was Symrise AG, representing 40.8% of the outstanding shares and votes. The five largest shareholders together represented 69.0% of the outstanding shares and votes, while the ten largest shareholders represented 79.8% of the outstanding shares and votes.

Annual General Meeting

The Annual General Meeting (AGM) is the highest decision-making body of Swedencare, through which shareholders exercise their influence over the company. The AGM is held within six months after the end of the financial year. Notice of the AGM is published no earlier than six weeks and no later than four weeks before the meeting. Resolutions at the AGM are normally passed by a simple majority. However, in certain cases the Swedish Companies Act requires a qualified majority. Among other responsibilities, the AGM appoints the Board of Directors for the period until the next AGM.

Nomination Committee

Swedencare's Nomination Committee, consisting of representatives of the company's three largest shareholders as Swedencare's Nomination Committee, consisting of representatives of the company's three largest shareholders as of September 30th, submits proposals to the AGM regarding the composition of the Board of Directors, the Chairman of the Board, Board and auditor remuneration, the election of the auditor and principles for the Nomination Committee. Ahead of the AGM on April 23rd, 2026, the Nomination Committee consists of Håkan Svanberg (representing Håkan Svanberg & Co Health Care AB), Jean-Yves Parisot (representing Symrise AG),Johan Bergdahl (representing JCC Group Invest Sweden AB). The Nomination Committee presents its proposals in connection with the notice of the AGM.

Board of Directors

The Board of Directors has overall responsibility for the organization and management of the company's operations and for the continuous evaluation of the company's financial and strategic development. The Board is also responsible for ensuring that the company complies with applicable laws and regulations and for establishing fundamental ethical guidelines for the company's conduct (Code of Conduct). For the day-to-day management of the company, the Board appoints a Chief Executive Officer (CEO).

The Board adopts written Rules of Procedure governing its work, which also include the CEO Instruction, including reporting instructions for the CEO. These decisions are taken annually at the statutory Board meeting held after the AGM. The Chairman of the Board organizes and leads the work of the Board so that it is conducted in accordance with the Swedish Companies Act, other applicable laws and regulations and the Board's Rules of Procedure. The Chairman monitors operations through ongoing dialogue with the CEO and ensures that the other Board members receive adequate information and decision-making material.

According to Swedencare's Articles of Association, the Board shall consist of no fewer than three and no more than seven members, with a maximum of two deputy members. At the AGM on April 24th 2025, Håkan Svanberg, Johan Bergdahl, Thomas Eklund, Sara Brandt, Ulrika Valassi and Jean-Yves Parisot were re-elected as Board members, and Isabelle Guiller was newly elected to the Board. Håkan Svanberg was appointed Chairman of the Board.

During 2025, a total of 12 minuted Board meetings were held. At these meetings, interim reports, year-end reports and the annual report were approved. The Board also adopted strategies and business plans supporting the company's objectives. The Board also convened in connection with acquisitions and other related decisions. As of December 31st, 2025, the Board of Directors held shares corresponding to 19.8% of the total number of outstanding shares in the company.

Remuneration Committee

The Remuneration Committee prepares proposals regarding remuneration principles, remuneration and other terms of employment for the CEO and Group Management. During 2025, the Remuneration Committee held two meetings. The Committee consists of Chairman Håkan Svanberg and Board member Jean-Yves Parisot.

Audit Committee

At the 2024 Annual General Meeting, it was decided to establish an Audit Committee. The Audit Committee assists the Board in monitoring the company's financial reporting, internal control and audit process. The Board appoints the members of the Audit Committee and has defined the committee's responsibilities in its Rules of Procedure. The Audit Committee consists of Håkan Svanberg and Ulrika Valassi, who serves as Committee Chair.

The Chair of the Audit Committee reports regularly to the Board on the committee's work and observations. During 2025, the Audit Committee held 9 meetings.

The committee meets regularly to review reports from external auditors and to ensure that the company's financial procedures comply with applicable laws and regulations. During the year, the Audit Committee also oversaw the strengthening of internal processes, the Group's sustainability focus and improvements in the reporting of financial results.

CEO and Group Management

In 2014, the Board appointed Håkan Lagerberg as CEO of the company. Apart from a period during 2019–2020, when the current CFO Jenny Graflind served as CEO, Håkan Lagerberg has held the role continuously since then. Through the wholly owned company Mastan AB, Håkan Lagerberg is Swedencare's sixth largest shareholder, holding shares corresponding to 3.6% of the total number of outstanding shares as of December 31st, 2025.

During 2025, Group management consisted of:

- CEO Håkan Lagerberg
- CFO Jenny Graflind
- COO for the Veterinary and Online Market in the US, Brian Nugent
- CCO Europe, Laszlo Varga
- Production Director, John Kane

Group management is responsible for business development, financial monitoring and operational planning. The management team holds regular monthly meetings with representatives of the company's subsidiaries throughout the year.

The subsidiaries operate with a high degree of operational autonomy within the framework and internal control procedures established by the Group. Group management monitors that agreed authorities are not exceeded and that established procedures are followed.

The CEO and Board of each subsidiary are appointed by the Group CEO and are responsible for the governance, development and management of the subsidiary.

Swedencare's decentralized organization, with many subsidiaries, places significant demands on the competence, values and business ethics of subsidiary boards and management teams. It also requires a clear understanding of delegated roles and responsibilities. Furthermore, the allocation of responsibilities within and between Group management and subsidiary management must be clearly defined, and communication between these functions must operate effectively. Instructions regarding governance documents, accounting principles and guidelines are communicated regularly to relevant employees.

Audit

The company's auditor is elected by the Annual General Meeting. The mandate applies until the end of the AGM held in the year following the election. The auditor's assignment is to examine Swedencare's annual accounts and accounting records, as well as the administration of the Board of Directors and the CEO. The assignment is summarized in the Auditor's Report, which is presented at the AGM and included in the annual report. At the 2025 AGM, the audit firm Deloitte AB was re-elected as auditor until the end of the 2026 AGM. The Auditor in Charge is Maria Ekelund. During 2025, in addition to the audit of the annual report and accounting records, the auditors also conducted a limited review of the company's nine-month interim report.

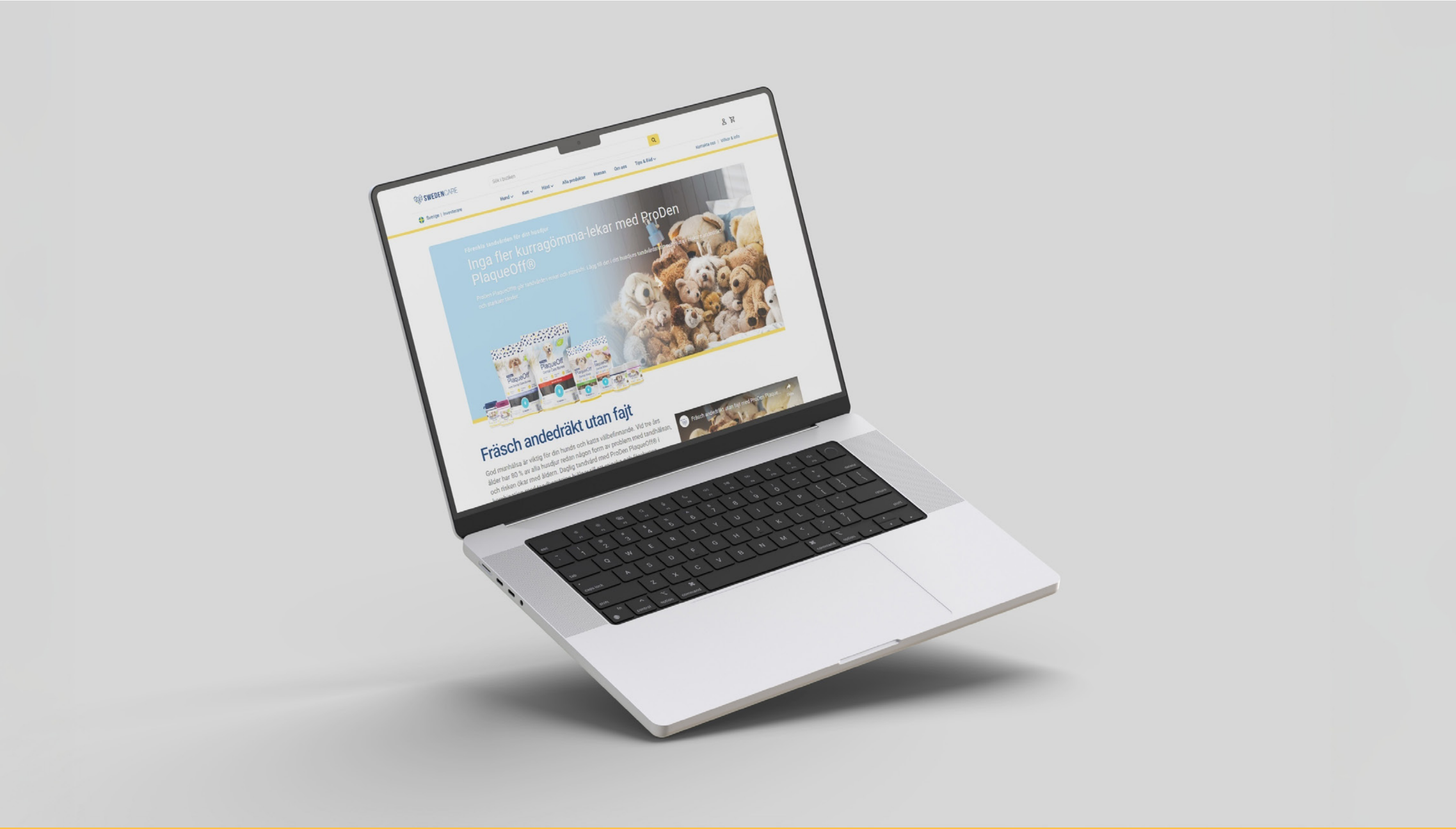
Information

The company's external communication follows the Information Policy adopted by the Board of Directors. The policy specifies what information is to be communicated, by whom and in what manner, in order to ensure that both external and internal communication is accurate, complete and in accordance with established guidelines.

Swedencare's information to shareholders and other stakeholders is published through:

- press releases
- interim and year-end reports
- the annual report
- the company's website, **www.swedencare.com**

Press releases, financial reports and presentation materials are published on the website. Interim reports, annual reports and press releases are also published in English on the company's website.



Organization

Swedencare

The parent company Swedencare is responsible for the Group's strategy, business plan and management. The company operates from its office at Medeon Science Park in Malmö, Sweden and owns 100% of all subsidiaries.

Sales Companies

Swedencare's sales companies are divided into three segments: the North American segment, the European segment, and the production segment. All sales companies are responsible for sales and marketing in their respective home markets as well as export activities. The sales companies report both financial and operational developments to Swedencare on a monthly basis. Their local market knowledge enables marketing efforts to be tailored to regional conditions and customer preferences, while also ensuring that needs for new products are identified quickly.

North American Segment

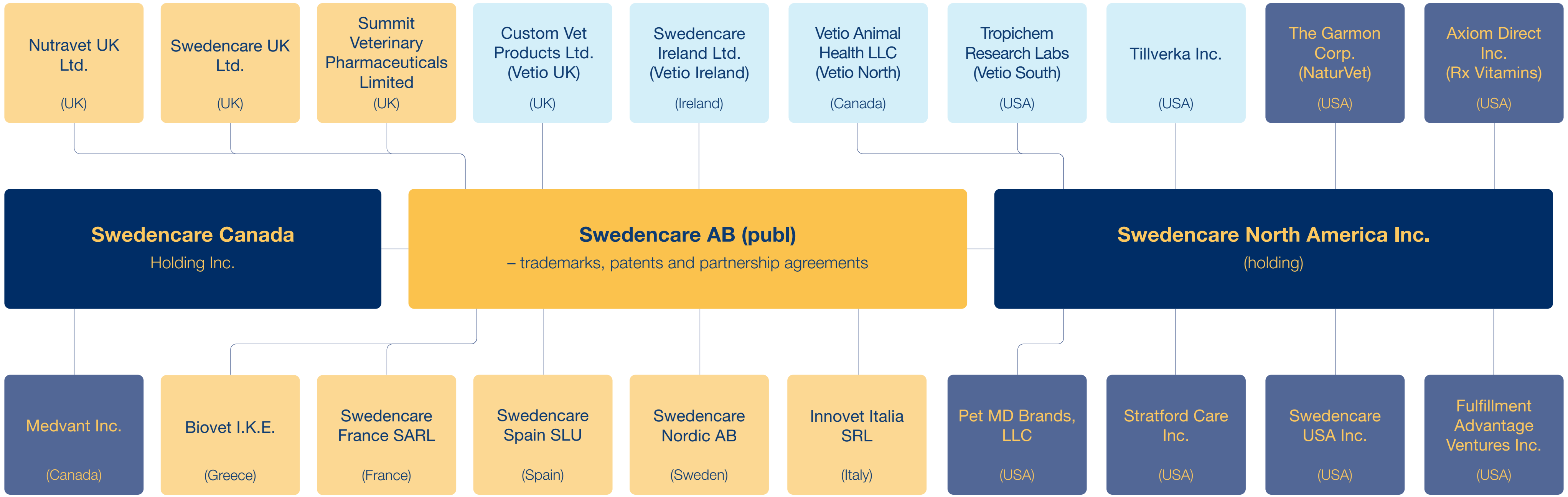
The North American segment consists of sales companies in the US and Canada.

European Segment

The European segment consists of sales companies in Greece, Spain, Italy, France, Sweden, and the UK.

Production Segment

The Production segment consists of production companies in the US, Canada, Ireland, and the UK. The segment has its own external sales, with the Vetio companies offering, among other things, contract manufacturing to external customers as well as online sales in the European market. The segment also has internal sales and produces several of the Group's own brands.



Board of Directors

Håkan Svanberg

Johan Bergdahl

Sara Brandt

Thomas Eklund

Isabelle Guiller

Jean-Yves Parisot

Ulrika Valassi

Håkan Svanberg

Chairman of the Board since 2022 – born 1957

Entrepreneur and owner of several companies within IT, travel and finance. Master of Arts from Örebro University.

CEO of Svanberg & Co Invest AB.

Board member of K3 Nordic AB, Svanberg & Co Invest AB, Sibe Förvaltning, K3 Travel, Kilkok Software, Svanberg Factoring, Treberg Holding AB and Deligate AB.

Independent in relation to the company/management: Yes

Independent in relation to major shareholders: No

Shareholding*: 23,090,775 shares

Johan Bergdahl

Board member since 2014 – born 1970

Entrepreneur and owner of several companies within sales, IT and real estate. Degree in Marketing Economics from Nercia Business School.

Board member of BR Group AB, Comera AB, JCC Group, BR Group Holding AB, BR Group Fastigheter AB, SIBE Förvaltning AB, Sjödins Stenhuggeri, Deligate AB and Trygghandel Sverige AB.

Independent in relation to the company/management: Yes

Independent in relation to major shareholders: No

Shareholding*: 7,526,755 shares

Sara Brandt

Board member since 2019 – born 1963

Senior corporate advisor and former Deputy CEO of Almi AB, previously holding several senior leadership positions including CEO of Berner Nordic and Coca-Cola AB.

Extensive operational and board experience from Swedish and international B2C and B2B companies, with a focus on sustainable growth and commercial strategy development across different industries and product categories.

Master of Science in Business and Economics from the Stockholm School of Economics.

Currently a board member of SeaTwirl AB and Coromatic AS.

Independent in relation to the company/management: Yes

Independent in relation to major shareholders: Yes

Shareholding*: 5,500 shares

Thomas Eklund

Board member since 2016 – born 1967

Extensive experience in investments and business development within the healthcare sector.

Former CEO of Investor Growth Capital and

former Chairman of Immedica Pharma AB and Mabtech AB.

Board member of Boule Diagnostics AB, Devyser AB and Surgical Science AB.

Independent in relation to the company/management: Yes

Independent in relation to major shareholders: Yes

Shareholding*: 966,142 shares

Isabelle Guiller

Board member since 2025 – born 1964

Joined Symrise in 1989 and has held

several leadership roles within Diana, now part of Symrise.

As R&D Director at Diana Petfood, she was responsible for palatability, nutrition, health, feed safety and innovation. She also led the Diana NOVA incubator before becoming Scientific Director.

Since 2025, Business Incubation Group Director within the Business Incubation Group (BIG).

Master's degree in Food Engineering from Nantes Université – Oniris / ENV Nantes.

Independent in relation to the company/management: Yes

Independent in relation to major shareholders: No

Shareholding*: -

Jean-Yves Parisot

Board member since 2022 – born 1964

CEO of Symrise AG and previously President of the Taste, Nutrition & Health segment.

Chairman of the Board of Probi and

VetAgroSup. Previously held several senior leadership roles at Diana, Air Liquide, Danisco, Rhodia Food, Rhône-Poulenc, Rhône Mérieux – Mérial and Pfizer Animal Health.

Doctor of Veterinary Medicine from

the National Veterinary School of Lyon (VetAgroSup – France) and holds an MBA from HEC-ISA (France).

Independent in relation to the company/management: Yes

Independent in relation to major shareholders: No

Shareholding*: -

Ulrika Valassi

Board member since 2022 – born 1967

Board member and senior corporate advisor. Former Chief Credit Officer at Landshypotek Bank and previously held several senior positions within the SEB Group, and played a key role in the launch of the fintech company DBT Capital.

Extensive experience in banking and financial markets, structural investments and corporate development.

Currently a board member of Ålandsbanken Abp, Sparbanken Sjuhärad and Fastighetsbolaget Emilshus AB, among others.

Bachelor of Science in Business and Economics from Uppsala University.

Independent in relation to the company/management: Yes

Independent in relation to major shareholders: Yes

Shareholding*: 2,000 shares

**Own or related party holdings of shares and other financial instruments in Swedencare as of December 31st, 2025.*

Management

Håkan Lagerberg

Jenny Graflind

John Kane

Brian Nugent

Laszlo Varga

Håkan Lagerberg

CEO

Håkan has held the position as CEO since 2014. He has extensive international experience from senior roles in both private and public companies.

Bachelor's degree in International Law from Lund University and postgraduate studies in International Trade Law at the University of Turin, Italy.

Board member of HAOLAG AB, Mastan AB, and board positions within several Swedencare subsidiaries.

Shareholding*: 5,760,166 shares

Jenny Graflind

CFO

Jenny has held a senior position at Swedencare since 2017.

She has extensive international experience as CFO and previously held roles such as Head of Finance and auditor within global corporations, both privately owned and private equity-backed.

Bachelor of Science in Management from Florida Atlantic University.

Board member of USWE Sports AB, the privately owned company Tammeo AB, and holds board positions within Swedencare subsidiaries.

Shareholding*: 180,650 shares and 20,000 options

John Kane

Production Director

John has held his current leadership position since 2022 and has been employed at the Vetio production facilities since 2015.

He has more than 28 years of experience as CEO and VP/GM for public and private companies within specialty chemicals, human nutrition and animal health. Prior to joining the animal health industry, John worked for Balchem Corporation, where he managed operations within human nutrition and health.

Master of Science in Chemical Engineering

from Villanova University and an MBA from Wilmington University.

Board member of Sabai Global.

Shareholding*: 51,972 shares and 20,000 options

Brian Nugent

Chief Commercial Officer North America

Brian has held his current leadership position since 2022 and has been employed by the subsidiary StratfordCare USA Inc. since 2011.

He has more than 20 years of experience

as founder, COO and CEO of several successful animal health companies in the US.

Before entering the animal health industry,

Brian served as Chief Operating Officer of the Tampa Bay Buccaneers in the National Football League (NFL).

Bachelor of Science in Multinational

Business Operations from Florida State University.

Shareholding*: 325,000 shares and 20,000 options

Laszlo Varga

Chief Commercial Officer Europe

Laszlo has held his current leadership position since 2023.

He has extensive international experience

in senior roles within companies focused on direct-to-consumer sales, including positions as CEO of deWiz Golf, Gents and Euroflorist.

Bachelor of Arts in Communication from San Diego State University.

Board member of CoolStuff AB.

Shareholding*: 30,300 shares

**Own or related party holdings of shares and other financial instruments in Swedencare as of December 31st, 2025.*

Responsible at Swedencare's subsidiaries

Loïc Dufour

Chris Jones

Ioanna Psychogiou

John Leonard

Simon Shaw

Steve Organ

Raquel Tosca

Sabine Uhde

Renato della Valle

Loïc Dufour

Country Manager, subsidiary Swedencare France SARL (formerly Buccosanté)

Loïc has been employed since 2021.

He has more than 14 years of experience

in marketing, communication and sales team management within the pet sector in France.

Marketing degree from IUT Lens.

Other assignments: None

Shareholding*: 1,500 options

Chris Jones

CEO, subsidiary Nutravet UK Ltd

Chris has been employed since 2021.

He has more than 10 years of experience in the nutritional supplements industry, including as Operations Director for one of the UK's leading nutrition manufacturers.

Bachelor's degree in Business Administration from Lancaster University.

Other assignments: None

Shareholding*: 6,431 shares and 10,000 options

Ioanna Psychogiou

Country Manager, subsidiary Biovet I.K.E

Ioanna has been employed since 2012.

Background as Head of Biovet with extensive experience in the pet and veterinary market.

Degree in Physics and a Master's degree in Electronic Telecommunications.

Other assignments: None

Shareholding*: 156,790 shares

Until December 31st, 2025

John Leonard

CEO, subsidiaries Swedencare UK Ltd and Swedencare Ireland Ltd

John has been employed since 2004.

He has more than 20 years of experience in the oral health industry, including roles as Sales Manager at TePe and Colgate and Development Manager at CTS Dental.

HND in Business & Finance from Teesside University.

Other assignments: None

Shareholding*: 349,546 shares

From January 1st, 2026

Simon Shaw

Head Of Ecommerce Europe

Simon has been employed since 2021.

He has more than 10 years of experience in e-commerce and 20 years of experience in sales.

Other assignments: None

Shareholding*: -

Steve Organ

CEO, subsidiary Summit Veterinary Pharmaceuticals Limited

Steve founded Summit Veterinary

Pharmaceuticals Limited in the UK 2009.

Prior to establishing Summit UK, he led

and oversaw several successful companies that were later sold to larger commercial organizations.

Shareholding*: 978,119 shares

Raquel Tosca

Country Manager, subsidiary Swedencare Spain SLU

Raquel has been employed since 2019.

She has an international background in international business, marketing and communication, most recently from the animal health company Laboratorios Calier.

Master's degree in Marketing,

Communication & Digital Publicity from UOC University in Barcelona and Inesdi Digital Business School.

Other assignments: None

Shareholding*: -

Sabine Uhde

Head of Nordics, subsidiary Swedencare Nordic AB

Sabine has been employed since 2015.

Background as department manager and marketing team member at TT-Line.

Licensed Real Estate Broker.

Other assignments: None

Shareholding*: 700 shares and 5,000 options

Renato della Valle

CEO, subsidiary Innovet Italia SRL

Renato has been employed since 1996.

Founder and CEO of Innovet since 1996.

Renato's experience primarily includes the development and marketing of over-the-counter products for companion animals.

High school diploma in Agriculture.

Other assignments: None

Shareholding*: 606,799 shares

**Own or related party holdings of shares and other financial instruments in Swedencare as of December 31st, 2025.*

Responsible at Swedencare's subsidiaries

Jeremy Bates

Geoff Granger

Ed Holden

Patrick Powell

Martin Shimko

Brian Thomas

Jeremy Bates

CEO, subsidiary Fulfillment Advantage Ventures Inc. (FAV)

Jeremy has been employed since 2022.

He has a strong leadership background from the US Marine Corps and previously spent five years at Petco, where he led strategic programs within their private-label health and wellness brands.

He holds an MBA from Villanova University, a Bachelor's degree in Marketing from San Diego State University, and a Bachelor's degree in International Business Development from KEDGE Business School.

Other assignments: None

Shareholding*: -

Geoff Granger

CEO, subsidiary NaturVet

Geoff has been employed since 2023. He has more than 28 years of experience in senior leadership positions within major national retail chains in the US. Previously, he worked at Petco, where he led strategic initiatives within the company's pet health and wellness categories.

Degree in Political Science from the University of California, Los Angeles (UCLA).

Other assignments: None

Shareholding*: -

Ed Holden

CEO, subsidiary Pet MD Brands LLC

Ed has been employed since 2011.

He has more than 10 years of experience in online marketing and e-commerce.

Founder and CEO of Pet MD Brands since 2011.

Degree in Management Information Systems from Loras College.

Other assignments: None

Shareholding*: 20,000 options

Patrick Powell

Chief Operating Officer, subsidiaries Stratford Care and RX Vitamins Inc.

Patrick has been employed since 2025. As Chief Commercial Officer at Stratford Animal Health, he brings more than two decades of experience in the animal health industry, driving strategic growth and building strong stakeholder relationships. He has previously held senior roles at Fort Dodge Animal Health, Bayer Animal Health, Putney Animal Health and others, where he led commercial teams, managed strategic accounts and delivered results with full P&L responsibility.

Other assignments: None

Shareholding*: -

Martin Shimko

CEO, subsidiaries Swedencare USA Inc. and Swedencare Tillverka Inc.

Martin has been employed since 2005. Background as a management trainee at NASSCO and member of the management team at The Bohle Company.

Bachelor of Science in Engineering from the University of Michigan and a degree in Accounting from the University of California, Los Angeles.

Other assignments: None

Shareholding*: 1,230,000 shares

Brian Thomas

CEO, subsidiary MedVant Inc.

Brian has been employed since 2024.

He has more than 20 years of experience in the animal health industry in senior leadership positions.

Founder and CEO of MedVant since 2020.

Holds an MBA and Bachelor of Commerce from the University of Guelph.

Other assignments: None

Shareholding*: 130,939 shares

**Own or related party holdings of shares and other financial instruments in Swedencare as of December 31st, 2025.*

Responsible at Swedencare's subsidiaries

Manuel Aguiar

Christyan Pollender

David Ryder

Martin Shimko

Manuel Aguiar

General Manager, subsidiary Vetio South

Manuel has been employed since 2002.

He has more than 28 years of experience in the pharmaceutical and animal health industries, with various roles and positions in Canada, where he participated in the design and commissioning of Vetio North's manufacturing facility. Manuel relocated to Vetio South in 2021, where he is responsible for both the food and pharmaceutical production facilities.

Background in Analytical Chemistry from Dawson College and Concordia University.

Other assignments: None

Shareholding*: 81,817 shares and 5,000 options

Christyan Pollender

Acting General Manager, subsidiary Vetio North

Christyan has been employed since 2004.

He has more than 30 years of experience in the pharmaceutical and medical technology industries. During his career he has held several leadership roles within the Canadian operations, specializing in regulatory compliance, quality management and operational excellence.

Studies in Electrical Engineering Technology at Sherbrooke College and Quality Management at École de Technologie Supérieure (ÉTS).

Other assignments: None

Shareholding*: -

David Ryder

CEO, subsidiaries Vetio UK (Custom Vet Products Ltd.) and Swedencare Ireland Ltd.

David has been employed since 2012.

He has more than 17 years of experience in sales management and marketing within the animal health industry.

Master's degree in Computer Science and Business Information Systems from Liverpool John Moores University.

Other assignments: None

Shareholding*: 620,095 shares

Martin Shimko

CEO, subsidiaries Swedencare USA Inc. and Swedencare Tillverka Inc.

Martin has been employed since 2005.

Background as a management trainee at NASSCO and member of the management team at The Bohle Company.

Bachelor of Science in Engineering from the University of Michigan and a degree in Accounting from the University of California, Los Angeles.

Other assignments: None

Shareholding*: 1,230,000 shares

Own or related party holdings of shares and other financial instruments in Swedencare as of December 31st, 2025.

Financial reports

Management report

Information on activities

The group's operations mainly consist of the development, production, and sales of premium products in the global and rapidly growing market for healthcare products for cats, dogs, and horses. The company has an extensive product portfolio with a wide range of high-quality brands in several therapy areas for cats, dogs, and horses. The sourcing of raw materials and the manufacturing of the group's products are carried out in its own factories, through subsidiaries, and subcontractors in Sweden, Norway, France, USA, Canada, Ireland, UK, and Italy. The original product, ProDen PlaqueOff®, developed by Swedencare, includes several premium products in dental health primarily for dogs and cats. Through acquisitions, the company has acquired several brands and product families in animal health. Some of these include NaturVet®, Innovet, Pet MD®, Rx Vitamins®, and nutravet®. With these acquisitions, the group has expanded its portfolio of high-quality dietary supplements for dogs, cats, and horses.

Sales in 2025 were conducted through 21 subsidiaries in USA, Canada, France, Greece, Ireland, Italy, the Nordic countries, Spain, and the UK, as well as an international distribution network covering approximately 70 countries. The parent company, Swedencare, is responsible for the group's strategy, business plan, and management. This is done by controlling the group's brands, patents, sales rights, cooperation agreements, and sales companies. The parent company's headquarter is in Malmö. The parent company's shares are listed on the Nasdaq First North Growth Market, Stockholm and are also traded on the OTCQX® Best Market.

Financial year 2025

Group net revenue

For the full year 2025 the net revenue for the Group amounted to 2,683.1 MSEK (2,530.2 MSEK) which corresponds to an increase of 6% compared to last year. The growth is divided into 9% organic growth, -7% currency impact and 4% acquired growth from Summit and Medvant.

Revenue in 2025 was divided on the north American segment that represented 61% (62%), the European segment that represented 22% (18%) and the production segment that represented 17% (20%) of the group's net revenue. During 2025 Dental represented 19% (16%) of revenue, Nutraceuticals 46% (49%), Topicals/Dermatology 20% (23%), Pharma 7% (5%), Treats 3% (2%) and Other 4% (5%).

Group Profit

The gross margin amounted to 56.3% (57.3%). Adjusted for non-operational revaluation of Summits acquisition inventory to fair value of 47.9 MSEK (12.9 MSEK) the operational gross margin amounts to 58.1% (57.9%). The external costs amounts to 646.6 MSEK (524.0 MSEK). Adjusted for non-operational one-off costs of 10.8 MSEK (4.7 MSEK), primarily attributable to acquisition costs and implementation costs for a new ERP system, which corresponds to 24% of total net revenue. Personnel costs amounted to 16% of net revenue, same share as last year. Personnel costs related to stock option program under IFRS2 amounted to 1.4 MSEK for the year. The operational operating profit before amortization of intangible assets (EBITA) amounted to 424.4 MSEK (478.0 MSEK), corresponding to an operational EBITA margin of 15.8% (18.9%). Of the 89.5 MSEK (82.7 MSEK) in depreciation of tangible assets for the year, 40.6 MSEK (39.6 MSEK) is attributable to IFRS16 (leased assets). Exchange rate variations impacted the profit of the year with an exchange rate gain of 6.3 MSEK (5.4 MSEK). During year the interest expenses on loans taken in connection with the acquisitions amounted to 51.8 MSEK (71.6 MSEK). The net income for the year amounted to 55.5 MSEK (98.9 MSEK) corresponding to a net income margin of 2.1% (3.9%). Earnings per share during 2025 amounted to 0.35 SEK (0.62 SEK) calculated on a weighted average number of shares, 159,599,778 (158,786,637) as of December 31st, 2025.

Company structural change in the USA that was carried out in 2022 together with tax write-offs on NaturVet's surplus value has a positive impact on the result also in 2025. In 2025 this resulted in utilized tax write-offs of 289.7 MSEK (29.5 MUSD). This means a lower tax of 70.9 MSEK (7.2 MUSD) for 2025, based on the average tax rate of 24.5%, didn't influence Swedencare's cash flow. 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 11 years.

Group cash flow

Cash flow from operating activities amounted to 326.8 MSEK (359.1 MSEK). During 2025 the change of working capital was -30.5 MSEK (-76.2 MSEK), primarily explained by an increased inventory value and an increase of accounts receivable. During the first quarter of the year, Swedencare completed an asset acquisition of Pack Approved™ where the total purchase price paid out during 2025 amounts to 43.6 MSEK. During the second quarter, Swedencare acquired Summit for 389.3 MSEK. Of the total consideration transferred, 349.6 MSEK was paid in cash and 39.7 MSEK through a non-cash issue. The asset acquisition of NaturVet's Amazon account amounted to 78.5 MSEK and was financed by utilizing the company's existing RCF. During the third quarter, a minority acquisition in Viyo was completed for a purchase consideration of 8.5 MSEK. Investments in tangible and intangible fixed assets amounted to 51.2 MSEK (45.1 MSEK) for the full year, which corresponds to 2% (2%) of net revenue. During the year the dividend of 2024 was paid, which affected the cash flow with 40.0 MSEK, equivalent with 0.25 SEK per share. During the year, the Group's long-term loans to credit institutions have been refinanced. Interest-bearing liabilities increased by 450 MSEK in connection with acquisitions, while amortizations amounted to 233 MSEK. During 2025, cash flow amounted to -66.8 MSEK (-66.9 MSEK).

Swedencare has an existing cash pool structure in the US where all US subsidiaries are connected. This structure has delivered the expected results with reduced financing costs and improved liquidity management. Due to these positive outcomes, an European cash pool structure has also been established, and during 2025 the work has continued with gradually connecting additional European subsidiaries.

The work with the cash pool structures has already produced the desired effect by reducing the need for external financing, strengthening internal control, and increasing flexibility in the company's financial strategy. Efforts to optimize the cash pool and the Group's liquidity, as well as to connect additional companies to the structure, will continue throughout 2026.

Financial position

Swedencare's equity as of December 31st, 2025 amounted to 6,665.0 MSEK (8,032.1 MSEK), of which 1.6 MSEK (1.6 MSEK) is restricted equity. Swedencare's cash and cash equivalents as of December 31st, 2025 amounted to 103.0 MSEK (186.8 MSEK), the Group had by the same date interest bearing short- and long-term debts of 1,804.0 MSEK (1,465.1 MSEK). The group has a cash pool structure for the US companies and has also set up a structure in Europe in 2025, which allows for a lower cash level – cash has decreased with 83.8 MSEK during the year - as well as lower debt position and lower financing costs. Swedencare's net debt, as of December 31st, 2025, amounted to 1,701.0 MSEK (1,278.4 MSEK). The increase in right-of-use assets for buildings during the quarter is primarily attributable to a new ten-year lease agreement commencing at the end of November for an expansion project in Vetio South, with a right-of-use asset of 143.2 MSEK recognized.

Financing

As of December 31st, 2025, Swedencare's liabilities to credit institutions amounted to 1,460 MSEK. The Group has a termloan of 800 MSEK and a Revolving Credit Facility (RCF) of 1,000 MSEK, of which the utilized amount was 660 MSEK as of December 31st, 2025. The utilized amount is divided into two draws, maturing at 1-month intervals. The loans are subject to a floating interest rate (STIBOR + margin) linked to net debt. The weighted average interest rate as of December 31st, 2025, was 2.95% (4.13%). The loans extends to June 2028 with the possibility of two extension options of one year at a time, which gives a possible final maturity in June 2030. As of December 31st, 2025 the Group has unused credit facilities of 340 MSEK.

The loans are subject to financial covenants regarding the financial net debt to proforma EBITDA ratio and interest coverage ratio. As of December 31st, 2025, the reported net debt to proforma R12 operational EBITDA ratio, both adjusted for IFRS16, was 2.9 compared to 2.1 as of December 31st, 2024. Swedencare has complied with all covenants set by the bank for all assessments related to borrowing.

The Group does not hold any financial hedging instruments. More information about the Group's financial risks is presented in Note 33.

Sustainability

For Swedencare, sustainability means taking long-term responsibility for the environmental, social, and economic impact that our operations have on the planet. We are working to implement a structure that ensures we minimize our impact as much as possible. Swedencare closely monitors developments related to sustainability issues, risks, and trends. These risks are identified, managed, and systematically analyzed by the management team. Sustainability is an integrated part of Swedencare's operations and our mission to promote the health and safety of pets. We prioritize the areas where our impact is greatest and where we can generate measurable results over time. As the Group continues to grow internationally, the need for aligned processes and shared guidelines has increased. In 2025, we continued to develop these structures and strengthened our internal follow-up within our prioritized sustainability areas. During the year, a double materiality assessment was carried out, clarifying our most significant risks, opportunities, and impacts. The analysis confirms four focus areas: circular economy and waste, employee well-being and safety, customer and pet well-being, and corporate culture and responsible business practices.

More information about the group's sustainability efforts is presented on pages 33-42. For sustainability risks, please refer to the risk section on pages 64-68.

Personnel

Swedencare had as of December 31st, 2025 a total of 613 employees spread over Sweden (21), England (87), Italy (20), France (2), Greece (11), Ireland (26), Spain (5), USA (366) and Canada (75). The gender distribution is 51% women and 49% men. As of December 31st, 2024, Swedencare had a total of 579 employees. The increase during the year is attributable to Summit, the company acquired in Q2, which has a total of 42 employees.

Research and development

Swedencare's external expenses during the year for research and development amounted to 1.6 MSEK (1.6 MSEK previously), with a portion of the cost allocated to annual expenses related to the right to use the VOHC seal (Veterinary Oral Health Council). All studies demonstrated effectiveness far exceeding VOHC's requirements.

The remaining costs that are not related to the VOHC seal pertain to the development of various formulas and products. Research and development are central to the group's operations and strategy. We also invest internally in research and development through our own employees, which means that a significant part of our innovation work is not reflected in the external costs mentioned above but is driven by our teams who continuously develop new products that meet customer needs and expectations.

Significant events during the financial year

On April 1st, 2025, Swedencare AB (publ) completed the acquisition of Summit Veterinary Pharmaceuticals Limited, a leader in the growth segment Animal Health Specials, and carried out an issue of shares to the seller as part of the purchase price. On August 4th, 2025, Swedencare launched ProDen DentalCare® on the Canadian veterinary market through MedVant. On December 17th, 2025, Swedencare announced new financial targets for the coming five years to reflect the current market situation, growth ambitions, and the company's commitment to creating shareholder value.

Significant events after the end of the financial year

There are no significant events after the year end to comment on.

Future developments:

- Continued strong growth within the pet sector. End customers (pet owners) are increasing in number and spending more on pets
- Longer lifespan of pets resulting in increased expenditure on pet products
- Expanded manufacturing capacity due to investments and acquisitions, enabling better response to growing demand and in-house production for acquired companies
- Wide product portfolio, high-quality products, and strong brands covering most therapy areas, facilitating launches of new products/brands in new markets with existing presence and in new channels
- Products of newly acquired companies sold under other companies' brands
- Collaboration between companies simplifying import/export between the UK/Europe and the USA
- Amortization of debt levels
- Acquisition opportunities

Strategic and operational risks

Effective risk management contributes to a sustainable and competitive business in the long term. Swedencare continuously assesses and manages the risks the group is exposed to or may be exposed to. Identifiable risks can be managed both strategically through business plans and product development, as well as operationally in the daily work with purchasing, marketing, and sales activities. Refer to Note 33 for a description of financial risks and their management.

Risk	Management
Market risk / macroeconomic risks Swedencare sells products in animal health online, to pet stores and chains, veterinary clinics and chains, pharmacy chains, as well as FDMC. Sales are made through its own subsidiaries or distributors in selected geographical markets. There is a risk that demand in the geographical markets where Swedencare is active may be negatively affected because of macroeconomic factors beyond Swedencare's control, such as the general economic and political situation, weather, pandemics, specific circumstances unique to individual countries and regions, and worst-case scenarios like war, can rapidly alter the conditions for conducting business. General economic conditions such as recession may lead to higher unemployment and rising inflation, resulting in reduced purchasing power. There's also a risk that the overall demand for animal health products decreases, or that segments within animal health where Swedencare operates or plans to operate decline in favor of other segments, possibly due to regulatory reasons, which could have a detrimental effect on the group's operations, financial position, and results.	Swedencare closely monitors changes and has developed strategies to manage various market and macroeconomic risks in a manner that is advantageous for the group and stakeholders. With subsidiaries in nine countries, production in the US, Canada, UK and Ireland and products sold in 70 markets, the group benefits from good risk diversification. The majority of our suppliers and customers operate on the same continents as our subsidiaries, which minimizes risks related to potential tariffs and geopolitical uncertainties in regions where we do not have our own presence. A downturn in one market due to the general economic situation may be partially offset by increased sales in another market, hence the market risk is considered low. Furthermore, Swedencare believes that its broad product portfolio, focusing on premium products with proven efficacy, is well suited for the ongoing shift in consumer preferences where consumers increasingly prioritize effectiveness and quality over price, a trend expected to continue in the future.
Climate risks Climate change poses significant risks to businesses and organizations globally. Frequent extreme weather events such as floods, droughts, and storms present direct threats to company infrastructure, supply chains, and production processes. Temperature changes can affect the availability of raw materials and energy, which in turn can impact production costs and the stability of supply chains.	As part of the restructuring of our sustainability efforts, we are planning a more in-depth analysis, governance, and monitoring of sustainability risks. By increasing our understanding of the key sustainability risks, we can proactively track and manage them, thereby minimizing potential impacts on our business operations. Since our customers demand healthy and responsibly produced products, it is of utmost importance to continuously work on identifying and reducing risks. This is done through the implementation and monitoring of policies, governance documents, and procedures. Our overarching goal is to structure our sustainability efforts to ensure a long-term and sustainable future. Additionally, Swedencare has a diversified supplier base and is not dependent on individual suppliers or supply chains, which reduces the impact if a chain is affected by climate change; please refer to supplier risks below for more information.
Competition and price pressure Swedencare faces numerous international competitors of varying sizes and strong financial positions within the animal health industry. If the competitive landscape in the animal health sector changes or intensifies, such as due to increased price competition, the launch of new products, or increased investments in marketing activities by competitors, it could have a negative impact on Swedencare's operations, results, and financial position.	Swedencare possesses deep and broad expertise in healthcare products for cats, dogs, and horses, allowing it to quickly and efficiently address new product needs. A significant portion of the products the group sells today has been developed and produced by our employees and companies with extensive industry experience. Through strategic acquisitions and investments in our modern, high-tech production facilities, along with in-house development, the group can continuously develop new products. Our expertise and the ability to promptly and efficiently address existing and emerging needs mitigate the risk of competition and price pressure for the group.

Risk	Management
Personnel risks Swedencare relies on qualified and motivated employees to achieve its overarching goals, strengthen distribution networks, broaden its product portfolio, and increase marketing activities. It is essential for Swedencare to be seen as an attractive employer to recruit and retain key personnel. The loss of key employees could delay, hinder, or imply increased costs when it comes to company's growth, thereby potentially negatively impacting Swedencare's operations, financial position, and results. Mental health issues and stress-related illnesses are increasing in society, posing a risk of our employees falling ill.	Swedencare works actively to be an attractive employer. The Group ensures that employees are equipped with the right tools and possess the necessary knowledge and support to handle daily situations. Swedencare offers competitive benefits related to health, pensions, training, etc., while also promoting a healthy work–life balance. In 2023, the first Group-wide employee survey was conducted, and in 2025 the second one took place. The analysis of both surveys has been key to our efforts to understand and improve the working environment for our employees. The 2025 survey results showed that we have improved employee satisfaction as well as employees' willingness to recommend Swedencare as a workplace—both rising from already high levels compared with 2023. Furthermore, Swedencare has introduced an incentive program comprising a private placement of warrants to the company for further transfer to key personnel within the Swedencare group at market value. Swedencare has also implemented a succession plan to ensure the stability of operations in the event of the loss of key employees. The succession plan includes a thorough assessment of competencies and skills among internal candidates, as well as the implementation of relevant training programs to ensure a smooth transition. By preparing and supporting its employees at various levels, Swedencare aims to minimize the risk of disruptions in operations and ensure that the company's long term goals and visions remain unaffected. Therefore, the risk of not being able to recruit and retain key personnel is considered low.
Acquisition risk Swedencare operates based on an active growth strategy and has made several successful acquisitions over the years. There is a risk that Swedencare may not be able to find suitable acquisition targets, which could affect the group's growth rate. An additional risk is that the integration process may negatively affect expected synergies by taking longer or being more costly than anticipated. The acquired companies' intangible assets, such as customer relationships, brands, and relationships with suppliers and key personnel, may also be negatively impacted by new ownership. Another risk that could affect Swedencare's growth strategy is financing risk, which may become more difficult or expensive at a given time, or may not be feasible within the group's acceptable terms.	Swedencare has in several cases acquired companies that were previously customers/suppliers/partners of the group, implying a long-standing relationship between the acquisition target and the group at the time of acquisition. In addition to this, an analysis of the acquisition targets, known as due diligence, is conducted where any risks are identified and managed before acquisition decisions are made. Since June 2020, Swedencare has completed a total of 14 acquisitions in the North American and European markets, confirming the group's extensive experience in both acquisitions and the integration process. The integration and synergy work are carried out in close collaboration with the acquired companies. Swedencare's clear goals, strategies, and strong balance sheet provide a solid foundation for a continued active acquisition strategy.
Intellectual Property Swedencare holds intellectual property rights primarily protected through trademark registrations for its product portfolio. There is always a risk of infringement on intellectual property rights that could adversely affect the group's operations, financial position, and results.	The group has few patents, and the risks associated with patent expiry are primarily managed through investments in various trademarks. Despite the expiration of patent protection for brands such as ProDen PlaqueOff® in the first quarter of 2021, the product showed growth of 40% in 2024 and 23% in 2025. The group conducts continuous monitoring of its intellectual assets; therefore, the risk of infringement is not deemed significant.

Risk	Management
Intangible Assets Swedencare holds intangible assets related to acquisitions such as customer relationships, trademarks, and goodwill. Intangible assets have both determinable and indeterminable useful lives. Intangible assets with determinable useful lives are amortized, and the value of intangible assets with indeterminable useful lives is annually tested for impairment. Intangible assets with indeterminable useful lives may pose significant risks to the group due to the difficulty in assessing and managing the value of these assets over time. This can lead to overvaluation of the assets in the company's balance sheet, resulting in impairment needs that could adversely affect the group's financial position and results if the assets fail to generate expected revenues or lose value over time.	Intangible assets with indeterminable useful lives are annually tested for impairment, meaning that Swedencare evaluates their value and ensures it is consistent with their fair value. The impairment testing involves a thorough assessment of various factors including growth, market conditions, technological changes, and macroeconomic factors that may impact future cash flows and the discount rate. In 2024, there are no indications of impairment needs. For more information on intangible assets, refer to note 11 and 12.
Disputes There is a risk for the group to become involved in legal disputes. Litigation and disputes can be time consuming, disrupt daily operations, involve significant amounts or fundamental issues, incur substantial costs, and adversely affect Swedencare's operations, results, and financial position.	Swedencare carefully complies with all applicable laws, rules, and regulations in respective markets. The group actively works to address identified future changes; therefore, the risk is considered low.
Supplier risks Swedencare may in the short and medium term be dependent on a specific supplier for production, raw material supplies, or transportation to fulfil individual customer agreements. The loss of one or more suppliers could have negative consequences for the group's operations, financial position, results, and customer relationships in the short and medium term. One of Swedencare's largest brands, ProDen PlaqueOff®, consists of the algae A.N. ProDen® of the highest quality, harvested off the coast of Norway. If the availability or price of the algae were to change unfavorably, it would pose a risk to Swedencare. Another risk associated with suppliers is if their work with human rights, working environment, and climate impact isn´t in line with Swedencare's policies.	Swedencare strategically works to control and manage risks that may arise in the supplier chain. The implementation and ongoing updates of our supplier code of conduct, which sets clear requirements regarding human rights, working conditions, and climate impact, serve as important guiding documents for this endeavor. The approval of suppliers and collaborative partners, along with monitoring through sustainability policies, are crucial measures to address potential risks. Swedencare has several modern production and logistics facilities in Ireland, USA, UK, and Canada, where an increasing portion of the group's production takes place. These facilities have the capacity and are prepared to expand production in line with the group's growth objectives. Increasing the proportion of in-house production is a high priority, as exemplified by the acquisitions of Vetio, NaturVet, and Vetio UK. The acquired companies possess highly efficient facilities with significant production capacity, thereby significantly reducing reliance on external suppliers. Swedencare collaborates with multiple raw material suppliers to reduce dependency on individual actors. For ProDen PlaqueOff®, Swedencare has secured the supply of raw materials through an exclusive agreement with a supplier of algae for dental products in both North America and Europe. The quality and volume requirements for the algae growing off the coast of Norway are not currently considered to pose any material risk. The algae also grow in other parts of the world, and we continuously evaluate whether we can identify additional suppliers offering the same quality of raw material. Additional measures to minimize dependency and secure future deliveries include relatively long contract terms and exclusivity in certain applications. At the same time, the group continues to work with selected subcontractors in multiple markets. Swedencare's rapid sales growth with demands for fast deliveries is addressed through our own production units and multiple subcontractors, thus the supplier risk is considered low.

Risk	Management
Product dependency and the product's impact on the environment Swedencare has an extensive product portfolio with strong brands and products covering most therapy areas. There is a risk that customers may choose products from other suppliers that cover the same therapy areas as Swedencare's products. Another risk associated with our products is the threats and uncertainties that may arise regarding the company's production processes and their impact on the environment, such as emissions of pollutants, waste, and recycling. Our customers have high-quality requirements for our products and for us as an innovative and reliable animal health company. We risk losing our market position if our products do not meet our customers' expectations. Additionally, Swedencare may also be subject to claims from third parties alleging that Swedencare's products have caused property damage, bodily injury, or other adverse effects. Product liability claims can have a negative impact on Swedencare's operations, results, and financial position.	When selling the group's products, Swedencare takes responsibility towards its customers. Swedencare has an extensive portfolio with strong brands and products covering most therapy areas, such as ProDen PlaqueOff®, NutriScience, Animal Pharmaceuticals, Stratford, Nutravet®, PetMD®, Vetwell®, Rx Vitamins®, NaturVet®, Pet Organics®, Overby Farm®, Vet Classics®, Riley's® and Innovet's brands. The group possesses deep knowledge in health care products for dogs, cats, and horses, enabling quick and effective responses to emerging needs. The environmental impact of Swedencare's operations primarily occurs in our production processes through material consumption, material recycling, energy consumption, and the use of renewable energy. We actively work to reduce waste generated at production facilities by further developing standard solutions and processes to minimize material and packaging waste. We have previous conducted a life cycle analysis for ProDen PlaqueOff® 60g and NaturVet Digestive Enzyme powder for dogs, providing a deeper understanding of the product's environmental impact. By evaluating each phase of the product's life cycle from procurement to production and use, we have identified opportunities to reduce our ecological footprint. The analysis provides us with a better understanding of the product's environmental impact, and the analysis can also be partially applied to other products since the factory where the product is made also produces other products with the same packaging. Pet owners are considered brand loyal, and within the dental and oral hygiene area, Swedencare assesses that ProDen PlaqueOff®, as the only product with systemic and proven efficacy, carries a relatively low risk of substitution. Swedencare experiences high customer satisfaction, manifested through positive feedback from customers in our markets.
Customer dependency Swedencare operates in a global, rapidly growing, and competitive market, making it possible that several major customers may choose to reduce their purchases from Swedencare either entirely or partially. This could negatively impact Swedencare's operations, financial position, and results. Alternatively, major market players may account for an increasingly larger share of revenue, which increases dependency and therefore risk. In recent years, as online sales have grown, Amazon's share of revenue has increased every year, and from 2026 sales through Amazon are expected to account for one-third of Swedencare's revenue, which is considered a customer dependency risk.	Swedencare's customers, distributors in selected geographic markets, as well as veterinary clinics and chains, pharmacy chains, pet store chains, and online retailers, has previously always been well diversified both in terms of size and geography. Swedencare still maintains a strong level of diversification both geographically and across different sales channels, and the increasing dependence on Amazon is being managed through investments in enhanced internal expertise and close monitoring to minimize the risk for the Group. Amazon is a well established company, and sales through the online channel and Amazon are considered natural given current market trends. Swedencare also mitigates the increased risk by expanding the number of sales channels, including the addition of FMDC in 2025. Swedencare continues to broaden its customer base and geographic reach.
Tax risk Swedencare, through its subsidiaries, operates in several countries, and to the best of the board members' knowledge, the operations comply with tax legislation. There is a risk that the group's interpretation of applicable laws, guidelines, and regulations may be challenged by local tax authorities. Additionally, legislation may change in the future, affecting Swedencare's past or current tax situation, which could have a negative impact on Swedencare's operations, results, and financial position.	Both internal and external transactions in the business are conducted in accordance with the group's interpretation of applicable tax laws, guidelines, and regulations. Independent tax advisors are engaged for complex matters. Transactions between group companies are conducted at arm's length. Therefore, the tax risk is assessed to be low.

Risk	Management
IT risks Intrusion and sabotage of critical data systems, as well as theft of business-critical information, pose a continuous external threat. Swedencare is exposed to cyber threats, email management, ERP servers and software, servers connected to the website/webshop, as well as keeping all devices (mobile phones, workstations) secure. To ensure that these risks are addressed, the group has developed an IT policy that establishes rules, responsibilities, and guidelines for the use, management, and security of IT resources within the organization. By clearly defining rules for the use of the company's network and systems, password requirements, data storage policy, and handling of sensitive information, the IT policy aims to ensure that IT resources are used securely, efficiently, and responsibly. The policy also provides guidance in crisis situations and includes an annual audit of all IT resources used by the group. Below are the major risks the group faces and their management.	
Cyber Threats Cybersecurity problems arise from the inherent nature of information technology (IT), the complexity of IT systems and human error. These occur when assessing whether actions and information are safe from a cybersecurity perspective, especially in the case of highly complex actions. Cyber threats are continuously evolving in the form of new tools and techniques used by intruders to compromise security. Moreover, the risk also increases due to the growing number of people with access to cyberspace.	Training staff in common cyber threats and how to deal with them is Swedencare's first line of defence. Employees are instructed to only interact with secure websites. Additionally, Swedencare has implemented strong antivirus software to protect its data. Employee accounts are protected by both strong passwords and multi-factor authentication, adding another layer of security. Through this method, users must confirm their identity by providing extra information (such as a phone number or a unique security code) when trying to access company applications. To prevent unauthorised access by cybercriminals trying to get into our systems, we regularly update applications, operating systems, security software and firmware. If our system is compromised or damaged, we keep backups and store them offline and offsite. In most cases, we can restore and put systems into production within 2-3 hours.
E-mail management E-mail is a universal means of electronic communication used by millions of people. The Swedencare organisation uses e-mail to communicate with employees, suppliers, partners and customers. E-mail also serves as a suitable medium for cybercrime to initiate attacks that can cause serious damage to the organisation. Effective cybersecurity practices help Swedencare prevent attacks and protect the organisation.	Swedencare has strengthened e-mail security by using sandboxing technology to detect unknown malware and improved the identification of malicious URLs through training. Employees are instructed to use personal e-mails to subscribe to non-work newsletters, unsubscribe from any non-work opt-in newsletters and ignore newsletters that have not been actively selected. We have also added isolation techniques to deal with zero-day attacks and suspicious e-mails.
ERP-servers and software Enterprise Resource Planning (ERP) security used to unify different platforms and departments can be a target for hackers. This leads to higher external threats as a breach of the system means access to all data and business information.	Our ERP security software is an important countermeasure to ensure security. By covering areas such as infrastructure security, network security, operating system security and database security, it helps us protect the assets and systems of the company. A secure ERP system includes secure configuration of servers, enabling security logging, system communication security and data security.
Website/online store servers and software There is a risk that our Web and e-commerce sites become a target for cyber attacks. The cost of a breach in terms of loss of data and customer confidence may affect Swedencare's operations, financial position and results.	As a website/e-commerce business owner, we are constantly working to ensure that all customer data is handled safely and securely. To help prevent threats to our website and e-commerce platforms and to ensure availability, we use a variety of tactics such as server-level firewall protection, secure hosting services, system updates, data backups, malware and anti-virus scanning/detection with automated actions and limiting the number of login attempts. During 2024 we have launched a security incident management policy which ensures that there is a contact person and an action plan in case of an incident. In case of possible breaches, we can have a fully restored website/online store in full operation within 2-3 hours.
Keeping all devices secure (mobiles and workstations) There is a risk that hackers find their way into devices such as laptops and smartphones with the aim of stealing, modifying or deleting information by installing malicious software.	Swedencare uses several security applications to secure both servers/workstations/laptops and smartphones. The security applications help us to ensure that devices are safe and updated to protect the company's network and data from unauthorised access.

Five-year summary

Group, MSEK	2025	2024	2023	2022	2021
Net revenue	2,683.1	2,530.2	2,324.6	1,829.5	770.4
Total revenue	2,694.6	2,539.9	2,338.3	1,834.3	773.2
EBIT	140.6	225.0	173.2	120.0	64.6
Profit of the period	55.5	98.9	58.6	94.5	54.6
KPI's					
Balance sheet total	9,509.4	10,316.4	9,522.1	10,004.7	3,471.1
Equity	6,665.0	8,032.1	7,206.8	7,460.7	2,419.8
Change of revenue (%)	6	9	27	137	222
Gross margin (%)	56	57	55	56	50
EBIT-margin (%)	5	9	8	7	8
Profit margin (%)	2	4	3	5	7
Solvency (%)	70	78	76	75	70
Interest-bearing net debt	1,701.0	1,278.4	1,421.3	1,657.1	585.4
Cash	103.0	186.8	237.3	245.1	136.1
Numbers of shares at yearend	159,841	158,863	158,732	158,732	118,150
Average number of shares	159,600	158,787	158,732	155,346	111,951
Earnings per share (SEK)	0,35	0,62	0,37	0,61	0,49
Equity per share (SEK)	41.7	50,56	45,40	47,00	20,48
Parent company, MSEK					
Net revenue	84.0	84.1	71.6	48.8	49.4
Total revenue	94.3	95.4	78.2	53.8	52.8
EBIT	3.9	13.4	10.5	5.0	16.9
Profit of the period	207.1	321.0	341.8	150.3	75.5

For definitions of the Group's KPI, see page 103-104.

Suggestion of profit allocation

The following retained earnings are available to the Annual General Meeting in the parent company, in Swedish kronor:

Retained earnings and free share premium reserve	7,048,482,869
This year's profit	207,111,368
Profit available for appropriation	**7,255,594,237**

The board proposes that the profits be appropriated as follows:	
Dividend to shareholders 0.28 SEK x 159,840,958	44,755,468
Transferred to retained earnings	7,210,838,769
Total	**7,255,594,237**

As the record date for the dividend, April 27th, 2026, is proposed. The dividend proposed to the Annual General Meeting will then be paid to the shareholders on April 30th, 2026. A comprehensive assessment of the parent company's and the group's financial position leads to the conclusion that the proposed dividend is justifiable considering the provisions of the Companies Act (Chapter 17, Section 3, paragraphs two and three). The Board's opinion is that the proposed dividend does not prevent the company from fulfilling its obligations in the short and long term, nor does it hinder the company from making necessary investments.

This annual report has been approved by the board on March 31st, 2026. The annual and group financial statements will be presented at the Annual General Meeting in Malmö on April 23rd, 2026. The group's and parent company's results and financial position are further detailed in the following income statements, balance sheets, and cash flow analyses with supplementary information.

Consolidated profit and loss

MSEK	Note	2025	2024
Net revenue	3	2,683.1	2,530.2
Other revenue	5	11.5	9.7
Total revenue		**2,694.6**	**2,539.9**
Cost of sales		-1,173.1	-1,080.4
Other external costs	7-8	-646.6	-524.0
Personnel costs	9	-417.4	-390.0
Depreciation of tangible and intangible fixed assets		-310.7	-315.9
Other costs	32	-6.2	-4.6
Operating expenses		**-2,554.0**	**-2,314.9**
Operating profit		**140.6**	**225.0**
Results from shares in associated companies	28	1.1	-0.9
Other interest revenues and similar revenues	31	15.6	8.7
Interest and other items	31	-75.0	-82.3
Financial items		**-58.3**	**-74.5**
Profit after financial items		**82.5**	**150.5**
Net income before tax		**82.5**	**150.5**
Tax on profit	10	-60.0	-39.1
Deferred tax	10	33.0	-12.5
Net income		**55.5**	**98.9**
Attributable to the parent company's shareholders		55.5	98.9
Earnings per share before and after dilution (SEK)	6	**0.35**	**0.62**

Consolidated statement of comprehensive income

MSEK	2025	2024
Net income	55.5	98.9
Items that may be reclassified to profit and loss		
Conversion difference of foreign subsidiaries	-1,423.6	756.0
Total earnings	**-1,368.0**	**855.0**
Attributable to the parent company's shareholders	-1,368.0	855.0

Consolidated balance sheet

MSEK	Note	31 dec 2025	31 dec 2024
Assets			
Non-current assets:			
Customer relationships	11	1,899.9	2,298.5
Brands	11, 12	1,772.8	1,782.1
Intellectual property	11	34.2	45.9
Technology-related assets	11	-	8.0
Other intangible assets	11	24.1	31.5
Shares in associated companies	28	10.3	0.6
Goodwill	12	3,905.8	4,336.6
Buildings and land	7, 13	457.8	354.9
Machinery and other tech assets	7, 14	139.3	150.2
Tools, furniture and fixtures	15	12.4	8.4
Deferred tax asset	10	147.8	128.4
Other long-term liabilities	18	2.0	0.8
Total non-current assets		**8,406.4**	**9,145.9**
Current assets:			
Inventory	16	492.7	475.9
Accounts receivables	17, 18	289.0	293.0
Tax receivables		141.3	117.3
Other receivables		11.6	6.2
Prepaid costs and deferred revenue	19	65.4	91.4
Cash	18	103.0	186.8
Total current assets		**1,103.0**	**1,170.5**
Total assets		**9,509.4**	**10,316.4**

MSEK	Note	31 dec 2025	31 dec 2024
Equity and liabilities			
Equity			
Share capital	29	1.6	1.6
Share premium		6,257.5	6,216.5
Conversion reserves		101.0	1,524.6
Retained earnings including net income		304.9	289.4
Total equity		**6,665.0**	**8,032.1**
Long-term liabilities			
Debt to credit institutions	18, 20-22	1,456.3	1,241.9
Leasing liabilities	20	295.2	180.0
Deferred tax liability	10	506.9	455.4
Debts to employees		4.4	5.0
Other long-term liabilities	24	163.8	5.5
Total long -term liabilities		**2,426.6**	**1,887.8**
Short-term liabilities			
Accounts payable	18	108.1	112.2
Tax liabilities		157.4	136.2
Leasing liabilities	20, 25	52.6	43.2
Other liabilities	25	26.4	20.0
Deferred costs and prepaid income	23	73.5	84.8
Total short-term liabilities		**418.0**	**396.5**
Total liabilities		**2,844.6**	**2,284.3**
Total equity and liabilities		**9,509.4**	**10,316.4**

Consolidated change of equity

MSEK	Share capital	Share premium	Con-version reserve	Retained earnings including net income	Total equity
Beginning balance 2024-01-01	**1.6**	**6,209.6**	**768.6**	**227.0**	**7,206.8**
Total profit	-	-	-	98.9	98.9
Other total profit	-	-	756.0	-	756.0
New share issue	-	7.0	-	-	7.0
Issue costs	-	-0.1	-	-	-0.1
Dividend 0.23 SEK x 158,731,900	-	-	-	-36.5	-36.5
Ending balance 2024-12-31	**1.6**	**6,216.5**	**1,524.6**	**289.4**	**8,032.1**
Beginning balance 2025-01-01	**1.6**	**6,216.5**	**1,524.6**	**289.4**	**8,032.1**
Total profit	-	-	-	55.5	55.5
Other total profit	-	-	-1,423.6	-	-1,423.6
New share issue*	-	39.7	-	-	39.7
Issue costs	-	-0.1	-	-	-0.1
Share based compensations	-	1.4	-	-	1.4
Dividend 0.25 SEK x 159,840,958 shares	-	-	-	-40.0	-40.0
Ending balance 2025-12-31	**1.6**	**6,257.5**	**101.0**	**304.9**	**6,665.0**

*See note 29

Consolidated cash flow statement

MSEK	Note	2025	2024
Operating cash flow			
Operating income before financial costs		140.6	225.0
Non-cash flow items	**34**	310.6	315.9
Other non-cash flow items	**34**	21.5	-0.3
Paid interest	**34**	-54.6	-72.2
Paid tax		-60.9	-33.2
Operating cash flow before change of working capital		**357.3**	**435.3**
Change in working capital			
Change in inventory		-22.5	-25.2
Change of accounts receivable		-29.2	-39.3
Change of other receivables		8.9	-27.8
Change of accounts payable		18.6	16.3
Change in current liabilities		-6.3	-0.2
Operating cash flow		**326.8**	**359.1**
Investment activities			
Acquisitions	**35**	-480.2	-80.7
Investments in tangible assets		-47.4	-40.8
Investments in intangible assets		-3.8	-30.5
Cash flow from investments		**-531.4**	**-151.9**

MSEK	Note	2025	2024
Financial cash flow			
Amortization of leasing agreement		-39.2	-37.6
Dividend		-40.0	-36.5
Loan	**20**	2,050.0	-
Amortization of loan	**20**	-1,833.0	-200.0
Financial cash flow	**33**	**137.7**	**-274.2**
Total cash flow		**-66.8**	**-66.9**
Cash balance at beginning of period		186.8	237.3
Exchange difference in cash		-17.0	16.4
Cash balance at end of period		**103.0**	**186.8**

Parent company profit and loss

MSEK	Note	2025	2024
Net revenue		84.0	84.1
Other revenue	5	10.3	11.4
Total revenue		**94.3**	**95.4**
Cost of sales		-25.9	-25.1
Other external costs	7-8	-28.5	-22.9
Personnel costs	9	-32.5	-30.5
Depreciation and write-offs of tangible and intangible fixed assets		-0.7	-1.1
Other costs	32	-2.8	-2.6
Operating expenses		**-90.4**	**-82.1**
Operating profit		**3.9**	**13.4**
Results from shares in associated companies	31	245.9	376.1
Other interest revenues and similar revenues	31	-60.2	-77.2
Interest and other items	31	17.8	9.5
Financial items		**203.5**	**308.4**
Operating profit after financial items		**207.4**	**321.8**
Yearend adjustments	26	2.3	2.4
Net income before tax		**209.7**	**324.2**
Tax on profit	10	-2.5	-3.3
Net income		**207.1**	**321.0**

In the parent company, there are no transactions attributable to Other Comprehensive Income, hence no Statement of Comprehensive Income has been prepared.

Parent company balance sheet

MSEK	Note	31 dec 2025	31 dec 2024
Assets			
Non-current assets			
Intangible assets	**11**		
Other intangible assets		0.7	1.2
Total intangible assets		**0.7**	**1.2**
Tangible assets	**15**		
Machinery and other tech assets		0.1	0.1
Total tangible assets		**0.1**	**0.1**
Financial assets			
Shares in subsidiaries	**27**	8,927.2	8,230.9
Shares in associated companies	**28**	10.1	1.6
Total financial assets		**8,937.3**	**8,232.5**
Total non-current assets		**8,938.1**	**8,233.8**
Receivables from Group companies		22.0	32.7
Total long-term assets		**22.0**	**32.7**
Current assets			
Inventory			
Inventory	**16**	9.7	8.0

MSEK	Note	31 dec 2025	31 dec 2024
Short-term receivables			
Accounts receivables	**17**	3.3	10.2
Receivables from Group companies		83.8	20.9
Other receivables		0.4	0.3
Prepaid costs and deferred revenue	**19**	2.2	2.9
Total short-term assets		**89.7**	**34.3**
Cash		25.1	70.0
Total current assets		**146.6**	**145.0**
Total assets		**9,084.7**	**8,378.8**

MSEK	Note	31 dec 2025	31 dec 2024
Equity and liabilities			
Equity and liabilities			
Restricted equity			
Share capital	**29**	1.6	1.6
		1.6	**1.6**
Retained earnings			
Share premium		6,254.9	6,215.3
Retained earnings		793.6	511.2
Net income		207.1	321.0
		7,255.6	**7,047.5**
Total equity		**7,257.2**	**7,049.1**
Liabilities			
Long-term liabilities			
Debt to credit institutions	**20-22**	1,456.3	1,241.9
Other liabilities	**24**	186.3	-
Total long-term liabilities		**1,642.6**	**1,241.9**
Short-term liabilities			
Accounts payable		1.8	3.6
Liabilities to Group companies		172.5	67.4
Other liabilities		2.2	1.4
Tax liabilities		1.6	2.7
Accruals and deferred revenue	**23**	6.9	12.7
Total short-term liabilities		**185.0**	**87.8**
Total short-term liabilities		**1,827.5**	**1,329.7**
Total equity and liabilities		**9,084.7**	**8,378.8**

Parent company change of equity

MSEK	Share capital	Share premium	Conversion reserve	Retained earnings	Total equity
Beginning balance 2024-01-01	**1.6**	**6,208.5**	**205.9**	**341.8**	**6,757.8**
Restatement of previous year's results	-	-	341.8	-341.8	-
New share issue*	-	7.0	-	-	7.0
Issue costs	-	-0.1	-	-	-0.1
Warrants	-	-	-	-	-
Dividend 0.23 SEK x 158,731,900 shares	-	-	-36.5	-	-36.5
Other total profit	-	-	-	321.0	321.0
Ending balance 2024-12-31	**1.6**	**6,215.3**	**511.2**	**321.0**	**7,049.1**
Beginning balance 2025-01-01	**1.6**	**6,215.3**	**511.2**	**321.0**	**7,049.1**
Restatement of previous year's results	-	-	321.0	-321.0	-
New share issue*	-	39.7	-	-	39.7
Issue costs	-	-0.1	-	-	-0.1
Share based compensations	-	-	1.4	-	1.4
Dividend 0.25 SEK x 159,840,958 shares	-	-	-40.0	-	-40.0
Other total profit	-	-	-	207.1	207.1
Ending balance 2025-12-31	**1.6**	**6,254.9**	**793.6**	**207.2**	**7,257.2**

Parent company cash flow

MSEK	Note	2025	2024
Operating cash flow			
Operating income before financial costs		3.9	13.4
Non-cash flow items	**34**	0.6	1.1
Other non-cash flow items	**34**	-3.4	-0.4
Paid interest	**34**	-53.1	-72.1
Paid tax		-3.1	-0.8
Operating cash flow before change of working capital		**-55.1**	**-58.8**
Change in working capital			
Change in inventory		-1.7	-1.8
Change of accounts receivable		13.2	-16.4
Change of other receivables		0.6	-1.0
Change of accounts payable		-1.5	-
Change in current liabilities		-1.6	2.1
Operating cash flow		**-46.1**	**-75.9**
Investment activities			
Shares in subsidiaries		-363.0	-29.5
Provided Group contributions		-108.2	-78.7
Loans to Group companies		44.0	10.9
Dividends from subsidiaries		245.9	376.1
Investments in intangible assets		-	-0.6
Investments in tangible assets		-0.1	-0.1
Cash flow from investments		**-181.4**	**278.1**

MSEK	Note	2025	2024
Financial cash flow			
Provided Group contributions		2.3	2.4
Dividend		-40.0	-36.5
Loan		2,050.0	-
Amortization of loan		-1,833.0	-200.0
Financial cash flow	**34**	**179.3**	**-234.1**
Total cash flow		**-48.3**	**-31.9**
Cash and cash equivalents at the beginning of period		70.0	96.2
Exchange difference in cash		3.4	5.7
Cash balance at end of period		**25.1**	**70.0**

Accounting principles and notes

Note 1 Nature of the business

The group's parent company, Swedencare AB (publ) (org.no. 556470–3790), is a public limited company based in Malmö, Sweden. The head office is located at Per Albin Hanssons Väg 41, 205 12 Malmö, telephone number +46 (40) 859 33. The parent company's shares are listed on Nasdaq First North Growth Market in Stockholm and are also traded on OTCQX® Best Market.

In this financial report, Swedencare AB (publ) is referred to either by its full name or as the parent company, and the Swedencare group as Swedencare or the group. The report covers all subsidiaries in the group.

The group's financial statements are presented in SEK, which is also the parent company's reporting currency. All amounts are expressed in millions of Swedish kronor, MSEK, unless otherwise stated. The most important accounting and valuation principles used in the preparation of the financial reports are summarized below. In cases where the parent company applies different principles, these are specified under the parent company below.

Note 2 General information and basis of preparation

The consolidated financial reports have been prepared in accordance with Årsredovisningslagen. Rådet för hållbarhets- och finansiell rapporterings rekommendation RFR1 Supplementary Accounting Rules for groups and International Financial Reporting Standards (IFRS) as adopted by the EU. The parent company applies the Swedish ÅRL and RFR 2 Accounting for legal entities. In cases where the parent company's accounting and valuation principles differ from the group's principles, this is stated under the parent company below. The annual and consolidated accounts have been prepared on the assumption that the group operates on a going concern basis. Amendments to standards and interpretations that became effective in 2025 have not significantly affected the group's financial reports. At the date of authorisation of these financial reports, certain new standards, amendments and interpretations to existing standards have been published by the IASB. These are not yet effective and have not been early adopted by the group.

Significant accounting and valuation principles

The main accounting principles used in the preparation of the consolidated accounts are summarised below. A number of new or amended standards and interpretations became applicable as of January 1st 2025. These are not considered to have had any material impact on the Group's financial statements.

New and amended standards not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the IASB in April 2024 and replaces IAS 1 Presentation of Financial Statements. The standard becomes effective for financial years beginning on or after January 1st 2027. IFRS 18 introduces, among other things, a new structure for the statement of profit or loss with defined categories for operating, investing, and financing activities, as well as expanded disclosure requirements relating to management-defined performance measures. The Company has initiated an analysis of the effects of the standard. The analysis is ongoing, and it is currently not possible to assess the full impact on the financial statements.

Grounds for establishment

The Group's financial reports are prepared based on historical cost in accordance with IFRS. Exceptions to the historical cost principle apply to certain items that are measured at fair value. This includes contingent consideration that is recognized as a financial liability under IFRS9 and measured at fair value at the acquisition date, with subsequent remeasurement through profit or loss. Equity-settled share-based payments are measured at fair value at the grant date in accordance with IFRS2. The Group holds no derivative instruments or other financial assets measured at fair value as of the balance sheet date. The Group has no defined benefit pension plans and therefore no related assets or liabilities measured at fair value under IAS19. Monetary amounts are expressed in Swedish currency (SEK) and rounded to the nearest millions, unless otherwise stated.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currencies are measured at the exchange rate on the balance sheet date. Exchange differences on operating receivables and operating liabilities are included in operating profit, while exchange differences on financial receivables and liabilities are recognized under financial items.

Consolidated financial statements

The consolidated financial statements consolidate the parent company and all subsidiaries in which the parent company directly or indirectly holds more than 50% of the voting rights or otherwise has a controlling interest and thus has a right to formulate the company's financial and operational strategies in order to obtain economic benefits. Subsidiaries are included in the consolidated financial statements from the date of acquisition until the date on which control ceases.

Amounts reported in the subsidiaries' annual reports have been adjusted where necessary to ensure consistency with the group's accounting and valuation policies. All subsidiaries have a balance sheet date of December 31st.

All intra-group transactions and balance sheet items are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Changes in intra-group profits during the financial year have been eliminated in the consolidated profit and loss account. Transfer pricing between group companies takes place at market conditions.

All intra-group items in the balance sheet have been converted at the closing rate. All intra-group income statement items have been converted at the average exchange rate for the financial year. Occurring differences are reported directly in equity.

Acquisition analysis/Allocation of consideration transfer

In business acquisitions where the purchase price exceeds the fair value at the acquisition date of identifiable net assets acquired, the difference is reported as goodwill in the balance sheet. If the difference is negative, it is reported as a gain on an acquisition purchase directly in the income statement after reassessing the difference.

The acquisition analysis prepared in connection with business acquisitions involves a high degree of judgement and estimation in connection with the identification of net assets, the allocation of surplus value, and the adjustment of acquired net assets to fair value. In connection with the acquisition analysis, trademarks, customer relationships, intellectual property, marketing and technology-related assets and deferred taxes have also been identified and valued. Acquired inventory has been reported at fair value.

Goodwill

Goodwill is the difference that arises if the cost of the acquired entity is higher than the value of the acquired entity's identified net assets.

Goodwill arising in a business acquisition is reported at cost, determined at the time of acquisition as described in the Business acquisitions section above, less any accumulated impairment losses. Goodwill has an indefinite useful life and is therefore tested for impairment annually.

When a subsidiary is sold, the remaining carrying amount of goodwill is included in the calculation of the capital gain or loss.

Impairment testing of goodwill and intangible assets with indefinite useful life
To assess the impairment requirement, the group management calculates the recoverable amount for each asset or cash-generating unit based on expected future cash flows and using an appropriate discount rate to discount these cash flows. Uncertainties lie in assumptions about future operating results and the determination of an appropriate discount rate. The group did not recognize any impairment of goodwill and trademarks in 2025.

Upon impairment testing, goodwill and trademarks are allocated to the cash-generating units expected to benefit from the synergies arising from the acquisition. In the Swedencare group, the aforementioned intangible assets are tested annually or more frequently if there is an indication that the carrying amount may not be recoverable at the segment level, including Europe, North America, and Production. If the recoverable amount, which is the higher of fair value less costs of disposal and value in use for a cash-generating unit, is determined to be lower than the carrying amount, the impairment amount is allocated. To determine the value in use, the group management estimates the expected future cash flows from each cash-generating unit and determines an appropriate discount rate to calculate the present value of these cash flows. First, the carrying amount of goodwill allocated to the cash-generating unit is reduced, and then the carrying amount of indefinite-lived intangible assets in the unit is reduced. A recognized impairment loss of goodwill cannot be reversed in a subsequent period.

Associated companies
Associated companies are those entities over which the group has significant influence, but not control, over operational and financial management, usually through ownership of between 20% and 50% of the voting rights. Shares in the associated company are reported using the equity method from the date on which significant purchase is obtained. The equity method means that the value of the shares in the associated company reported in the group corresponds to the group's share of the associated company's equity and consolidated goodwill and any other remaining values of consolidated surplus and deficit values. In the consolidated income statement, the group's share of the associated company's profit or loss adjusted for any amortisation, impairment or reversal of acquired surplus or deficit values is reported as other financial income. Dividends received from the associated company reduce the carrying amount of the investment. The equity method is applied until the date that significant influence ceases.

Equity, reserves and dividends
Share capital represents the quota value of issued shares. Share premium account includes any premium received on the issue of new share capital. Any transaction costs associated with the issue of new shares are deducted from equity, taking into account any income tax effects.

Other equity incl. profit for the year (group) includes:

- Conversion reserve, i.e. conversion differences from the conversion of the financial reports of the group's foreign operations into SEK.
- Retained earnings, i.e. all retained profits (and losses) from previous financial years.

All transactions with the owners of the parent company are reported separately in equity. Dividends payable to shareholders are included in Other liabilities when the dividends have been approved by a general meeting of shareholders before the balance sheet date.

Revenue from contracts with customers
The revenue mainly relates to revenue from the sale of health care products for dogs, cats and horses and is reported in the item net sales in the income statement. When assessing whether revenue should be reported, the group follows a 5-step process:

1. Identify the contract with the customer
2. Identify performance commitments
3. Determine the transaction price
4. Distribute the transaction price to the performance obligations
5. Report revenue at the time of fulfilment of the performance obligation, either at a point in time or over time.

Revenue from non-customised/customised goods is reported when the group fulfils its performance obligations by transferring the promised goods to the customer in accordance with the delivery terms stated on the invoice. The transaction price is determined based on predetermined unit prices and the credit period is normally 30 days. Local variations with both longer and shorter credit periods may occur, these do not exceed 12 months. Discounts and bonuses are allocated per item delivered.

Revenue from customised goods/services is reported over time as the group has a right to payment for products/services that have no alternative use. The transaction price is determined based on the input-method, which represents the work performed, to fulfil a performance obligation in relation to the total expected costs to complete the performance obligation.

The group reports a contract liability when it receives consideration for unfulfilled performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the group fulfils a performance obligation before it receives the consideration, the group reports either a contract asset or a receivable in the balance sheet, depending on whether something other than timing determines when the compensation falls due. The credit period is normally 30 days. Local variations may occur; these do not exceed 12 months.

Other operating income refers to grants and income not related to the main operating income.

Segment reporting
An operating segment is the part of the group that engages in activities from which it may earn revenues and incur expenses, whose operating profits are regularly reviewed by the entity's chief operating decision maker and for which stand-alone financial information is available.

Fixed assets
Intangible and tangible fixed assets are reported at cost less accumulated depreciation according to plan and any impairment losses. Amortisation is charged on a straight-line basis over the expected useful life, taking into account any significant residual value. Intangible assets have both finite and indefinite useful lives. Intangible assets with indefinite useful lives are not amortised but are tested annually for impairment together with the impairment of goodwill.

Amortisation of intangible assets

Trademarks	Indeterminate useful life
Customer relations	7-17 years
Intellectual property	10-15 years
Other intangible assets	4-15 years

Depreciation of tangible fixed assets

Buildings	25-50 years
Machinery and other technical facilities	4-7 years
Equipment, tools and installations	3-10 years

Financial instruments
Group management determines the classification of financial assets at initial reporting. The group does not hold any hedging instruments.

Accounting and valuation
Financial assets and liabilities are reported when the group becomes party to the contractual provisions of the instrument. Financial assets are removed from balance sheet when the contractual rights to the

financial asset expire, or when the financial asset and all significant risks and rewards are transferred. A financial liability is removed from the balance sheet when it is extinguished, i.e. when it is fulfilled, cancelled or expires.

Financial assets
All financial assets are initially reported at acquisition value, corresponding to fair value, plus transaction costs. Financial assets are classified based on both the company's business model for managing the asset and the characteristics of the contractual cash flows from the financial asset. The group only has financial assets classified as valued at accrued acquisition cost.

Financial assets valued at accrued acquisition cost
Financial assets are valued at accrued acquisition cost if the assets meet the following conditions and are not reported at fair value through profit or loss:

- they are held under a business model whose objective is to hold the financial assets and collect contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the outstanding principal amount.

After initial reporting, they are valued at amortised cost using the effective interest method. Application of the effective interest rate method means that receivables that are interest-free or carry an interest rate that deviates from the market rate and have a maturity of more than 12 months are reported at a discounted present value and the change in time value is reported as interest income in the income statement. For receivables with maturities of less than 12 months, the discounting effect is deemed to be insignificant. The group's cash and cash equivalents, accounts receivable and other long-term and short-term receivables belong to this category of financial instruments.

Impairment of financial assets
The reporting of expected credit losses is assessed using the expected credit loss model in IFRS 9 in accordance with the simplified model.

The assessment of credit risk and reporting of expected credit losses is not dependent on the group first identifying a credit loss event. The group also considers broader information such as past events, current conditions and reasonable and supportable forecasts that affect the expected ability to obtain future cash flows from the asset. The group uses the simplified approach for trade receivables and contract assets and reports expected credit losses over the remaining term. In the calculation, the group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

In the assessment of expected credit losses, trade receivables have been assessed collectively as they share common credit risk characteristics. For the assessment of expected credit losses, the group performs a follow-up of confirmed customer losses during the last two financial years. A calculation of confirmed customer losses during 2024-2025 has been made which showed a customer loss of 0.1%. The calculation is performed and reassessed every six months. Given the short period of time that trade receivables are exposed to credit risk and as the group has historically not had any significant bad debt losses, no collective provision is made because it is not considered material. However, the group makes an individual assessment of expected credit losses on overdue trade receivables because this, together with the absence of a payment plan, are indicators that there is no probable expectation of receiving full payment.

All income and expenses relating to financial assets reported in the income statement are classified as Interest expense or Interest income, except for the expected credit loss on trade receivables which is classified as Other external expenses.

Financial liabilities
Financial liabilities are initially valued at fair value adjusted for transaction costs. After initial reporting, financial liabilities are valued at accrued acquisition cost using the effective interest method. All interest-related charges are included in Interest costs and similar income items.

Leasing contracts

Swedencare as a lessee
The group's leases are reported as right-of-use assets and corresponding lease liabilities on the date the leased asset is available for use by the group.

The right-of-use asset is initially valued at cost, which consists of the initial lease value plus lease payments made at or before the start of the contract. Contracts where the lease term is less than 12 months and contracts of lesser value are excluded and therefore expensed as incurred. The right-of-use asset represents a right to use the underlying asset and the lease liability represents an obligation to pay lease payments. The group has right-of-use assets with associated lease liabilities for cars and rented premises.

Right-of-use assets are reported under tangible fixed assets. The lease liability, which is divided into longterm and short-term parts, is initially valued at the present value of the remaining lease payments during the lease term. The right-of-use assets are amortised over the lease term. Lease costs are reported as depreciation and interest expense. The lease payment is divided into an interest portion and an amortisation portion.

Inventory

Inventories are valued at the lower of cost value and net sales value at the balance sheet date with the acquisition cost calculated using the weighted average method. Net sales value refers to the estimated selling price of the goods less selling expenses. The chosen valuation method means that obsolescence in the inventory has been taken into account. Manufactured inventory has been valued at an amount that includes costs directly attributable to the production of the inventory.

Income taxes

The tax expense reported in profit or loss consists of the sum of deferred tax and current tax not reported in equity. The calculation of current tax is based on tax rates and tax rules applicable at the balance sheet date.

Current tax
Current tax refers to income tax for the current financial year and that part of the previous financial year's income tax that has not yet been reported. Current tax is calculated using the tax rate applicable on the balance sheet date.

Deferred tax
Deferred tax is income tax relating to future financial years as a result of past events. Reporting is done according to the balance sheet method. According to this method, deferred tax liabilities and deferred tax assets are reported for temporary differences arising between the carrying amounts and taxable values of assets and liabilities and for other tax deductions or losses.

Deferred tax assets are netted against deferred tax liabilities only if they can be paid in a net amount. Deferred tax is calculated using the tax rate applicable at the balance sheet date. The effects of changes in current tax rates are reported in the period in which the change is enacted.

Deferred tax assets relating to tax losses or other future tax deductions are reported to the extent that it is probable that the deductions can be offset against future taxable profits. The temporary differences are the same as the carrying amounts of the holdings.

Employee benefits

Employee benefits refer to all forms of benefits provided by the company to its employees. Short-term benefits include salaries, paid holidays, paid absences, bonuses and post-employment benefits (pensions). Short-term benefits are reported as an expense and a liability when there is a legal or constructive obligation to pay a benefit as a result of a past event and a reliable estimate of the amount can be made.

The group only has defined contribution pension plans. Defined contribution plans are classified as being where defined contributions are paid and there is no obligation to pay anything in addition to those contributions. Expenditure on defined contribution plans is reported as an expense in the period in which the employees render the services underlying the obligation.

Share-based compensation

Swedencare have a share-based compensation program in the form of employee stock options granted free of charge to selected employees within the Group. The stock options are subject to a vesting period and may only be exercised once conditions related to continued employment and vesting have been fulfilled. Each stock option entitles the holder to acquire one share in the Company at a predetermined exercise price.

The fair value of the stock options is determined at the grant date using a generally accepted option valuation model (Black & Scholes), based on the quoted share price and other market parameters. In accordance with IFRS 2, the calculated value is expensed over the vesting period, and social security contributions are recognized as a liability that is remeasured continuously based on changes in the share price.

The stock options result in dilution only when the exercise price is lower than the average market price of the share during the exercise period. As of the balance sheet date, the warrants have no intrinsic value and therefore no dilution effect arises. Swedencare previously had a warrant program that expired on February 28th 2026 without any dilution effect.

Cash flow statement

The cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions that have resulted in cash receipts or payments.

Cash and cash equivalents

Cash and cash equivalents consist of cash and available balances with banks and similar institutions.

Accounting policies of the Parent company

The differences between the accounting policies of the Group and those of the Parent Company are described below. The accounting policies for the Parent Company set out below have been applied consistently to all periods presented in the Parent Company's financial statements.

- **Format of the financial statements** The income statement and balance sheet of the Parent Company are prepared in accordance with the formats prescribed by the Swedish Annual Accounts Act.
- **Subsidiaries** investments in subsidiaries are accounted for in the Parent Company using the cost method. Group contributions are recognised as an increase in investments in subsidiaries. The carrying amount is continuously assessed against the subsidiaries' equity on a consolidated basis and may be written down if necessary.
- **Lease payments** Lease payments are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis better reflects the economic benefits over time.

Estimates and judgements

Assumptions below is information about estimates and assumptions that have the most significant effect on the accounting and valuation of assets, liabilities, income, and expenses. The outcome of these may differ significantly.

Acquisition analysis & allocation of surplus value
The acquisition analysis conducted in connection with business acquisitions involves a high degree of judgment and estimation in identifying net assets, allocating surplus value, and adjusting acquired net assets to fair value. Uncertainty lies in the calculation of surplus value to be allocated due to external market valuations and the allocation to various intangible assets due to different estimates and judgment issues. The surplus value is also influenced by the final size of working capital as of the acquisition date and the final value of acquired net assets, which depend on the review of the acquisition balance sheet. Since goodwill is a residual that emerges once other parameters in the acquisition analysis have been determined, it is preliminary and subject to change until other values are finalized.

Earn outs
Earn outs refer to additional payments for acquired companies. The amount of the earn out is usually linked to certain financial or other post-acquisition targets over a period of time. The additional purchase prices are valued at the acquisition date based on management's best estimate of the future outcome. The amount is discounted to present value. Uncertainties lie in the assumptions about future outcomes and the determination of the appropriate discount rate.

Shares in subsidiaries as financial assets in the parent company
Shares in subsidiaries are reported at cost less any impairment losses. Cost includes the purchase price paid for the shares and acquisition costs. Any capital additions are added to the cost as they arise. Financial assets are tested for impairment at least at the end of each reporting period to determine whether there is objective evidence that a financial asset or group of financial assets is impaired. Shares in subsidiaries are tested on segment level.

Uncertainty in impairment testing of goodwill, trademarks and marketing-related assets and shares
To assess impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an appropriate interest rate to discount the cash flows. Uncertainties lie in the assumptions about future operating profit and the determination of the appropriate discount rate. Further information can be found in Note 12.

Useful life of intangible and tangible assets
The useful life of the group's tangible and intangible fixed assets and the related depreciation are determined by group management. The estimate is based on historical knowledge of the useful life of the corresponding assets. The useful life and estimated residual values are reviewed at each balance sheet date and adjusted if necessary.

Tax loss carry-forwards
In 2022, Swedencare has made a reassessment of tax loss carry-forwards in the US The assessment is that previous losses and deferred tax assets from previous years can be utilised in future years. Restructuring in the US together with tax depreciation linked to the NaturVet acquisition and the expected increase in revenue in 2025 and onwards is good evidence that the consolidated group in the US will generate taxable income in future years and be able to utilise all deferred tax assets.

Note 3 Operating segment

	North America		Europe		Production		Group-wide functions		Eliminations		Group	
Operating segment the Group	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Net revenue external	1,638.0	1,566.2	579.8	450.2	468.3	513.8	-	-	-	-	2,683.1	2,530.2
Net revenue internal	3.0	4.8	44.4	40.2	181.3	162.2	-	-	-228.7	-207.1	-	-
Net revenue	**1,637.9**	**1,571.0**	**624.2**	**490.4**	**649.6**	**676.0**	**-**	**-**	**-228.7**	**-207.1**	**2,683.1**	**2,530.2**
Other revenue external	6.9	3.7	9.5	11.7	1.6	0.7	-	-	-6.4	-6.4	11.5	9.7
Total revenue	**1,644.8**	**1,574.6**	**633.7**	**502.1**	**651.2**	**676.7**	**-**	**-**	**-235.1**	**-213.5**	**2,694.6**	**2,539.9**
Cost of sales	-738.3	-732.7	-251.9	-166.9	-367.3	-385.2	-44.2	-2.8	228.7	207.1	-1,173.1	-1,080.4
Other external costs	-435.9	-362.9	-117.3	-87.4	-62.5	-58.7	-31.3	-21.3	0.3	6.4	-646.6	-524.0
Personnel costs	-218.2	-210.4	-67.5	-51.4	-101.8	-100.8	-29.9	-27.4	-	-	-417.4	-390.0
Other external costs	-	-	-3.4	-3.7	-1.3	-0.8	-1.4	-0.1	-	-	-6.2	-4.6
EBITDA	**252.4**	**268.7**	**193.6**	**192.7**	**118.2**	**131.2**	**-106.8**	**-51.6**	**-6.1**	**-**	**451.3**	**541.0**
Internal management fee	-4.0	-	-	-2.1	-	-	-	-	6.1	-	-	-
Depreciation and write-offs of tangible fixed assets	-42.5	-45.4	-11.4	-5.7	-35.6	-31.6	-	-	-	-	-89.5	-82.7
EBITA	**205.9**	**223.2**	**182.2**	**184.9**	**82.7**	**99.6**	**-106.8**	**-51.6**	**-**	**-**	**361.8**	**458.3**
Amortization of intangible fixed assets	-136.7	-144.7	-26.3	-26.4	-57.6	-61.5	-0.6	-0.6	-	-	-221.2	-233.2
EBIT	**69.2**	**78.5**	**155.9**	**158.4**	**25.1**	**38.1**	**-107.4**	**-52.2**	**-**	**-**	**140.7**	**225.1**
Financial items	0.6	-4.2	-17.9	-1.7	-2.0	-2.5	-40.1	-65.2	-	-	-59.3	-73.6
Results from shares in associated companies	-	-0.5	-	-	-	-	1.1	-0.5	-	-	1.1	-0.9
Profit after financial items	**69.8**	**73.8**	**138.1**	**158.9**	**21.0**	**35.7**	**-146.4**	**-117.9**	**-**	**-**	**82.5**	**150.5**
Net income before tax	**69.8**	**73.8**	**138.1**	**158.9**	**21.0**	**35.7**	**-146.4**	**-117.9**	**-**	**-**	**82.5**	**150.5**
Tax on profit	33.5	19.5	-46.6	-28.6	-46.8	-30.1	-	-	-	-	-60.0	-39.1
Deferred tax	-39.7	-33.8	18.4	-0.6	57.6	21.3	-3.2	0.6	-	-	33.0	-12.5
Net income	**63.5**	**59.6**	**109.8**	**129.7**	**31.8**	**26.9**	**-149.6**	**-117.3**	**-**	**-**	**55.5**	**98.9**
Significant assets by segment												
Tangible fixed assets	199.0	272.8	74.7	33.7	335.5	206.9	-	0.1	-	-	609.2	513.5
Intangible fixed assets	4,664.5	5,631.7	1,403.3	949.6	1,566.9	1,917.9	2.1	3.4	-	-	7,636.8	8,502.6
Total fixed assets	**4,863.5**	**5,904.5**	**1,478.0**	**983.3**	**1,902.4**	**2,124.8**	**2.1**	**3.5**	**-**	**-**	**8,246.0**	**9,016.1**

An operating segment is a part of the Group that conducts activities from which it can generate revenues and incur expenses, with its operating results regularly reviewed by the company's highest executive decision-maker and for which separate financial information is available. The Group's operations are reported by geographical area (North America, Europe) as well as by manufacturing units. The operating segments are reported in a manner consistent with the internal reporting provided to the highest executive decision-maker, who is responsible for resource allocation and monitoring the results of the operating segments. 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 performance to the board, confirming that the external and internal reporting are aligned. The North American operating segment includes seven sales companies in North America. The European operating segment includes nine sales companies in Europe. The Production operating segment includes Vetio (Canada, UK and USA), Swedencare Tillverka (USA), and Swedencare Ireland (Ireland).

Note 4 Revenues from agreement with customers

	North America		Europe		Production		Group	
Geographic markets	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
North America	1,614.6	1,542.1	0.7	-0.9	319.1	377.1	1,934.4	1,918.3
Europe	3.9	3.6	544.0	415.3	148.2	136.5	696.1	555.4
Rest of the world	16.5	20.4	35.1	35.8	1.0	0.3	52.6	56.5
Total net revenue	**1,635.0**	**1,566.2**	**579.8**	**450.2**	**468.3**	**513.8**	**2,683.1**	**2,530.2**
Product areas								
Topicals/Dermatology	262.0	286.0	55.4	57.2	232.6	234.8	549.9	578.0
Dental	255.0	227.0	208.3	162.5	36.9	16.8	500.1	406.3
Treats	73.8	44.2	-	0.1	-	-	73.8	44.2
Nutraceuticals	911.3	884.7	228.4	221.7	98.2	142.6	1,238.0	1,249.0
Pharma	-	-	81.4	-	99.7	119.4	181.1	119.4
Other	132.9	124.3	6.4	8.7	0.9	0.3	140.2	133.3
Total net revenue	**1,635.0**	**1,566.2**	**579.8**	**450.2**	**468.3**	**513.8**	**2,683.1**	**2,530.2**
Time for revenue recognition								
The performance commitment is fulfilled over time	-	-	-	-	320.9	137.1	320.9	137.1
The performance commitment is fulfilled at a certain time	1,635.0	1,566.2	579.8	450.2	147.5	376.8	2,362.3	2,393.1
Total net revenue	**1,635.0**	**1,566.2**	**579.8**	**450.2**	**468.3**	**513.8**	**2,683.1**	**2,530.2**

In 2025, Swedencare had one customer that accounted for 10% or more of the Group's total sales revenue. Amazon is a customer in both the North America and Europe segments, and total revenue amounted to 754.0 MSEK (SEK 648.5MSEK).

	Group	
Revenue per geographic market	**2025**	**2024**
US	1,874.3	1,870.5
England	402.4	270.6
Italy	174.3	180.5
Canada	60.0	47.8
Germany	17.2	10.7
Sweden (Headquarter)	12.1	9.3
Other countries	142.7	140.9
Total revenue	**2,683.1**	**2,530.2**

Not 5 Other income

	Group		Parent company	
	2025	**2024**	**2025**	**2024**
Exchange rate gain	3.4	4.1	2.0	3.4
Lease income	6.7	3.5	-	-
Other operating income	1.4	2.1	8.3	8.0
	11.5	**9.7**	**10.3**	**11.4**

Note 6 Earnings per share

The calculation of earnings per share is based on the annual result attributable to the parent company's shareholders and the weighted average number of shares outstanding during the year. There were two outstanding stock option programs at the end of the year, which may have dilutive effects on potential shares. Stock options only result in dilution when the average price of common shares during the period exceeds the exercise price of the stock options, i.e., when they have intrinsic value. The average share price on the balance sheet date was below the exercise price of the outstanding stock options, therefore diluted earnings per share were not calculated.

Earnings per share before and after dilution	**2025**	**2024**
This year's profit attributable to the parent company's shareholders, MSEK	55.5	98.9
Weighted average number of outstanding shares	159,599,778	158,786,637
Earnings per share before and after dilution, SEK	**0.35**	**0.62**

Earnings per share before and after dilution	**2025**	**2024**
Total number of shares outstanding as of January 1st	158,862,839	158,731,900
Effect of the share issue	736,939	54,737
	159,599,778	**158,786,637**

	Number of options	**Weighted average exercise price, SEK**
Outstanding at the beginning of the year	–	–
Granted during the year	1,080,000	48.4
– of which Group management	*240,000*	–
– of which other employees	*840,000*	–
Forfeited	–	–
Exercised	–	–
Expired	–	–
Outstanding at the end of the year	**1,080,000**	**48.4**
Exercisable at the end of the year	**–**	**–**

All outstanding options are unvested at the end of the reporting period.

Subscription Options Program
Swedencare implemented a subscription options program that was decided at the extraordinary general meeting in 2022. The program involved an issuance of up to 251,000 subscription options, where option holders have the right to subscribe for one (1) new share in the Company during the period from December 1st, 2025, to February 28th, 2026, at a subscription price corresponding to 135% of the volume-weighted average price (VWAP) of the Company's share on the Nasdaq First North Growth Market during the period from October 12th, 2022, to October 18th, 2022. The volume-weighted average price amounts to 42.86 SEK, and the subscription price, corresponding to 135% of VWAP, amounts to 57.86 SEK. The price per subscription option corresponds to the market value of the subscription option calculated using a customary valuation model (the so-called Black & Scholes formula) based on the listed share price and other prevailing market conditions on the date of the transfer. The market value is set at 4.47 SEK per subscription option

Employee Stock Options 2025
At the Annual General Meeting in 2025, Swedencare implemented a long-term incentive program comprising a maximum of 1,080,000 employee stock options. The program is directed towards employees within the Swedencare Group who are based in the US. The employee stock options are granted free of charge. Each employee stock option shall entitle the holder, following the expiration of a three-year vesting period and subject to the holder's continued employment, to acquire one (1) share in the Company at a subscription price corresponding to the quota value of the share, which as of the 2025 Annual General Meeting amounted to SEK 0.01 per share. Subscription of shares supported by the stock options may take place during the period from April 24th, 2028, up to and including July 24th, 2028.The exercise price per share shall correspond to 135% of the volume-weighted average price (VWAP) of the company's share on Nasdaq First North Growth Market during the ten trading days immediately preceding April 24th, 2025, however not less than the quota value of the share. The calculated exercise price is rounded to the nearest ten öre, with five öre rounded down. Vesting occurs linearly over three years, with one-third of the allocated employee stock options vesting annually. After full vesting, the employee stock options may be exercised for the acquisition of shares at the established exercise price. The fair value of the employee stock options is determined at the grant date using a generally accepted option pricing model (Black–Scholes), based on the quoted market price of the shares and other relevant market parameters. The estimated fair value per option amounts to approximately 6.35. SEK. The total expense for share-based payments recognized in the income statement amounts to 1.4 MSEK (0.0 MSEK) and is recognized within personnel expenses.

Not 7 Leasing, lessee

The group as a lessee

Right-of-use assets

The group leases multiple assets such as office and warehouse spaces, machinery and equipment, and vehicles. The group's right-of-use assets are categorized in the table below:

Right-of-use assets 2024	Buildings	Machinery, equipment and vehicles	Total
Opening acquisition value	**316.8**	**13.8**	**330.6**
Purchases	202.6	5.5	208.1
Conversion difference	-59.5	-3.6	-63.1
Sales/ disposals	-6.6	-1.5	-8.1
Ending accumulated acquisition values	**453.3**	**14.2**	**467.5**
Beginning accumulated depreciation	**-108.6**	**-7.3**	**-115.9**
Annual depreciation	-37.1	-3.5	-40.6
Conversion difference	18.6	3.2	21.8
Sales/disposals	5.8	0.7	6.5
Ending accumulated depreciation	**-121.3**	**-6.9**	**-128.2**
Total reported value	**332.0**	**7.3**	**339.3**

Remaining lease term or economic useful life	1-11 years	1-4 years
Depreciation method	Straight-line	Straight-line

Lease Liabilities

Lease Liabilities, Maturity Analysis	2025	2024
Less than 1 year	57.3	46.5
1-2 years	53.4	43.5
2-3 years	50.0	39.0
3-4 years	42.9	34.9
4-5 years	39.3	28.5
More than 5 years	153.2	52.2
Financing costs	-48.3	-21.4
Total lease liabilities	**347.8**	**223.2**

Change in lease liabilities	2025	2024
Opening acquisition value	223.2	5.8
Additional/changed lease liabilities during the period	206.7	25.4
Payments related to the principal portion of the lease liability	-45.9	-44.4
Interest expense related to lease liabilities (included in financial costs)	6.7	6.8
Conversion difference	-42.9	18.0
Total leasing liabilities	**347.8**	**11.6**
Short-term lease liabilities	52.6	43.2
Long-term lease liabilities	295.2	180.0
The total cash flow for leasing agreements during the year	39.2	37.6
Revenue from subleasing	6.7	3.5

Variable lease payments

In addition to the lease liabilities mentioned above, the group has committed to pay variable lease payments for certain of its lease agreements. These variable lease payments are expensed when incurred.

Extension options

The majority of extension options related to office and warehouse spaces have not been included in the lease liabilities as the group can replace the assets without significant cost or disruption to the operations.

The group does not have any significant residual value guarantees associated with the lease agreements.

Note 8 Costs for auditors

Audit Assignments

Audit assignments refer to statutory audits of the annual and consolidated financial statements and accounting, as well as the management of the board and the CEO, and auditing and other examinations performed in accordance with agreements or contracts. This includes other tasks that fall within the remit of the company's auditor, as well as advice or other assistance resulting from observations made during such examinations or the performance of such other tasks.

	Group		Parent company	
	2025	2024	2025	2024
Deloitte AB				
Audit fees for the annual audit engagement	0.8	0.8	0.8	0.8
Other services	-	-	-	-
Total	**0.8**	**0.8**	**0.8**	**0.8**
Audit fees to other auditors	3.3	2.1	-	-
Total	**3.3**	**2.1**	**-**	**-**

Note 9 Number of Employees and Employee Compensation

Average number of employees per country

Parent Company	2025	Men	2024	Men
Sweden	18	5	16	4

Subsidiaries	2025	Men	2024	Men
Sweden	3	-	2	-
Ireland	26	10	20	8
UK	87	36	37	14
France	2	1	2	1
USA	366	202	405	222
Canada	75	38	62	34
Italy	20	4	21	4
Spain	5	1	4	1
Greece	11	5	10	4
Total	**613**	**302**	**579**	**292**

Salaries and remunerations

	Group		Parent company	
	2025	**2024**	**2025**	**2024**
Salaries and other remunerations - Board of Directors and Group Management	22.4	23.4	11.5	10.2
Salaries and other compensations - other employees	336.1	314.5	9.4	9.7
Pensions for the Board of Directors and Group Management	3.5	2.5	3.3	2.5
Pensions for other employees	10.2	8.2	1.2	1.4
Social contributions	39.5	35.5	6.4	5.9
Total	**411.7**	**384.1**	**31.8**	**29.7**

Compensation for key management personnel

During 2025, the parent company had 7 (7) board members, of which 3 (2) were women. Compensation for the chairman and members of the board is determined by the annual general meeting. The amounts cover the period from the annual general meeting on April 25th, 2025, to the annual general meeting on April 23rd, 2026. Board members J. Parisot and I. Guiller chose to waive their fees in 2025.

The key management personnel constitute the group management. These consist of the CEO, CFO, Chief Commercial Officers for Europe and North America, and the CEO of Vetio. Compensation for the CEO and other key management personnel employed in the group consists of base salary, variable compensation, and other benefits.

Termination

The company has entered into an agreement with the CEO, which stipulates a notice period of three (3) months. In case of termination from the company's side or the CEO's side, no severance pay is provided. During the notice period, full salary and other employment benefits are provided.

Pensions for group management and other employees

Personnel in the group management and other employees have a defined contribution pension, with no other obligations from the company other than to pay an annual premium during the employment period. This means that upon termination of employment, the employee has the right to decide when to withdraw the previously contributed funds and their returns as a pension. The retirement age for the CEO and other group management personnel is 65 years.

Note 9 Number of Employees and Employee Compensation - cont.

2025	Board remuneration	Salary	Bonus	Other benefits	Employee stock option plan	Pension-costs	Total compensation
Management							
CEO - H. Lagerberg	-	4.9	-	0.1	-	1.6	**6.6**
Other members of the group management (4)	-	14.8	-	0.6	0.3	1.9	**17.6**
Board members							
Chairman of the Board - H. Svanberg	0.7	-	-	-	-	-	**0.7**
Board member - J. Bergdahl	0.2	-	-	-	-	-	**0.2**
Board member - T. Eklund	0.2	-	-	-	-	-	**0.2**
Board member - S. Brandt	0.2	-	-	-	-	-	**0.2**
Board member - U. Valassi	0.4	-	-	-	-	-	**0.4**
Board member - J. Parisot	-	-	-	-	-	-	**-**
Board member - I. Guiller	-	-	-	-	-	-	**-**
Total compensation	**1.7**	**19.7**	**-**	**0.7**	**0.3**	**3.5**	**25.9**

2024	Board remuneration	Salary	Bonus	Other benefits	Employee stock option plan	Pension-costs	Total compensation
Management							
CEO - H. Lagerberg	-	4.9	-	0.1	-	1.4	**6.4**
Other members of the group management (4)	-	14.5	1.2	0.6	-	1.1	**17.4**
Board members							
Chairman of the Board - H. Svanberg	0.7	-	-	-	-	-	**0.7**
Board member - J. Bergdahl	0.2	-	-	-	-	-	**0.2**
Board member - T. Eklund	0.2	-	-	-	-	-	**0.2**
Board member - S. Brandt	0.2	-	-	-	-	-	**0.2**
Board member - U. Valassi	0.4	-	-	-	-	-	**0.4**
Board member - J. Parisot	-	-	-	-	-	-	**-**
Board member - H. Bertram	0.2	-	-	-	-	-	**0.2**
Total compensation	**2.1**	**19.4**	**1.2**	**0.7**	**-**	**2.5**	**25.9**

Note 10 Current and deferred tax

The main components of the tax expense for the financial year and the relationship between the expected tax expense based on the Swedish effective tax rate for the group at 20.6% (2024: 20.6%) and the reported tax expense in the income statement are as follows:

	Group		Parent company	
	2025	2024	2025	2024
Net income before tax	82.5	150.5	209.7	324.2
Current tax rate for the parent company	20.6%	20.6%	20.6%	20.6%
Expected tax	17.0	31.0	43.2	66.8
Adjustments for differences in tax rate abroad	-3.6	4.6	-	-
The effect of changed tax rates	-0.6	-	-	-
Dividend from group companies	-	-	-50.7	-77.4
Loss deductions generated during the year for which no deferred tax asset has been recognized	0.3	-	-	-
Non-deductible negative net interest	9.7	13.5	9.7	13.5
Tax attributable to previous years	1.6	0.6	-	-
Other non-deductible costs / Other non-taxable income	4.7	6.0	0.3	0.4
Other	-2.1	-4.1	-	-
Total	**27.0**	**51.6**	**2.5**	**3.3**
Current tax	60.0	39.1	2.5	3.3
Deferred tax	-33.0	12.4	-	-
Total	**27.0**	**51.6**	**2.5**	**3.3**

	Group	
Deferred tax asset/liability	**2025**	**2024**
Ending internal profit	5.5	8.7
Deficit deduction	125.4	103.8
Leasing agreements	2.1	2.2
Temporary differences regarding differences between reported and tax values of fixed assets	14.8	13.7
Deferred tax assets	**147.8**	**128.4**
Intangible assets	459.6	434.6
Tangible assets	47.3	20.8
Deferred tax liability	**506.9**	**455.4**

Group 2025

Change deferred tax	Opening balance 2025-01-01	Reported in the income statement	Conversion difference	Through acqui-sitions	Ending balance 2025-12-31
Intangible assets	-434.6	27.7	41.4	-94.0	-459.6
Tangible assets	-20.8	-26.5	-	-	-47.3
Inventory	-	12.0	-	-12.0	-
Internal profit	8.7	-3.2	-	-	5.5
Deficit deduction	103.8	21.6	-	-	125.4
Leasing agreements	2.2	0.3	-0.4	-	2.1
Temporary differences regarding differences between reported and tax values of fixed assets	13.7	1.1	-	-	14.8
Total	**-327.0**	**33.0**	**41.0**	**-106.0**	**-359.1**

Group 2024

Change deferred tax	Opening balance 2024-01-01	Reported in the income statement	Conversion difference	Through acqui-sitions	Ending balance 2024-12-31
Intangible assets	-372.4	-31.4	-27.1	-3.7	-434.6
Tangible assets	-14.4	-6.4	-	-	-20.8
Internal profit	7.9	0.8	-	-	8.7
Deficit deduction	79.0	24.8	-	-	103.8
Leasing agreements	1.6	0.4	0.2	-	2.2
Temporary differences regarding differences between reported and tax values of fixed assets	14.4	-0.7	-	-	13.7
Total	**-283.9**	**-12.5**	**-26.9**	**-3.7**	**-327.0**

Tax receivables are presented with (+) and tax liabilities with (-) in the table above.

Note 11 Customer relationships, trademarks, intellectual property, and similar rights

Group 2025	Customer related assets	Intellectual property	Trade-marks	Technology related assets	Other intangible assets	Total intangible fixed assets
Beginning acquisition values	**2,986.9**	**63.5**	**1,782.1**	**61.7**	**57.1**	**4,951.2**
Purchases	-	-	-	-	2.0	2.0
Through acquisition of group companies	143.3	-	279.7	-	1.4	424.4
Conversion difference	-455.7	-10.0	-289.0	-10.1	-7.8	-772.6
Ending accumulated acquisition values	**2,674.5**	**53.6**	**1,772.8**	**51.6**	**52.7**	**4,605.1**
Beginning accumulated depreciation	**-688.4**	**-17.6**	**-**	**-53.7**	**-25.6**	**-785.3**
Annual depreciation	-202.5	-4.8	-	-7.1	-6.8	-221.2
Conversion difference	116.3	3.0	-	9.2	3.8	132.3
Ending accumulated depreciation	**-774.6**	**-19.4**	**-**	**-51.6**	**-28.6**	**-874.1**
Total reported amount	**1,899.9**	**34.2**	**1,772.8**	**-**	**24.1**	**3,731.0**

Group 2024	Customer related assets	Intellectual property	Trade-marks	Technology related assets	Other intangible assets	Total intangible fixed assets
Beginning acquisition values	**2,807.3**	**60.0**	**1,616.7**	**58.6**	**47.4**	**4,589.9**
Purchases	-	-	10.0	-	0.7	10.7
Through acquisition of group companies	26.7	-	66.3	-	3.8	96.8
Conversion difference	244.7	5.5	144.2	5.3	3.8	403.5
Ending accumulated acquisition values	**2,986.9**	**63.5**	**1,782.1**	**61.7**	**57.1**	**4,951.2**
Beginning accumulated depreciation	**-431.5**	**-11.3**	**-**	**-37.8**	**-18.1**	**-498.7**
Annual depreciation	-210.4	-5.0	-	-11.9	-5.8	-233.1
Conversion difference	-46.5	-1.3	-	-4.0	-1.7	-53.5
Ending accumulated depreciation	**-688.4**	**-17.6**	**-**	**-53.7**	**-25.6**	**-785.3**
Total reported amount	**2,298.5**	**45.9**	**1,782.1**	**8.0**	**31.5**	**4,166.0**

All intangible fixed assets, except for trademarks assessed to have an indefinite useful life, are amortized. Due to their association with ongoing operations, trademarks are considered to have an indefinite useful life and are expected to be used for as long as the business continues. This is based on the notion that these assets are well-established in their respective markets, and the group intends to retain and further develop them through product development and marketing. Assets with indefinite useful lives are tested annually to identify any potential impairment and are reported at cost less accumulated impairments.

Parent company 2025	Trademarks	Other intangible assets	Total intangible fixed assets
Beginning acquisition values	**2.5**	**3.3**	**5.8**
Purchases	-	-	-
Ending accumulated acquisition values	**2.5**	**3.3**	**5.8**
Beginning accumulated depreciation	**-2.5**	**-2.2**	**-4.7**
Annual depreciation	-	-0.5	-0.5
Ending accumulated depreciation	**-2.5**	**-2.7**	**-5.2**
Total reported amount	**-**	**0.7**	**0.7**

Parent company 2024	Trademarks	Other intangible assets	Total intangible fixed assets
Beginning acquisition values	**2.5**	**2.7**	**5.2**
Purchases	-	0.6	0.6
Ending accumulated acquisition values	**2.5**	**3.3**	**5.8**
Beginning accumulated depreciation	**-2.0**	**-1.6**	**-3.6**
Annual depreciation	-0.5	-0.6	-1.1
Ending accumulated depreciation	**-2.5**	**-2.2**	**-4.7**
Total reported amount	**-**	**1.2**	**1.2**

Note 12 Goodwill

	Goodwill		Trademarks	
Group	**2025**	**2024**	**2025**	**2024**
Operating segment North America	2,329.3	2,733.4	1,363.5	1,629.6
Operating segment Europe	692.6	562.0	409.3	152.5
Operating segment Production	883.8	1,041.2	-	-
Total	**3,905.8**	**4,336.6**	**1,772.8**	**1,782.1**

	Goodwill		Trademarks	
Group	**2025**	**2024**	**2025**	**2024**
Beginning accumulated acquisition values	4,336.6	3,967.5	1,782.1	1,561.6
Acquisition	217.5	19.9	279.7	76.4
Conversion difference	-648.4	349.2	-289.1	144.2
Ending accumulated acquisition values	3,905.8	4,336.6	1,772.8	1,782.1
Reported value	**3,905.8**	**4,336.6**	**1,772.8**	**1,782.1**

Impairment testing

The recoverable amount per cash-generating unit was determined based on calculations of the value in use, which included a detailed fourteen-year forecast for the US companies and a five-year forecast for other subsidiaries. The reason for an extended forecast period for the US companies is the tax depreciation associated with the corporate structural change in the USA and the Section 338(h)(10) application for NaturVet, which is described in more detail on page 62.

Projected cash flows are based on historical figures, budget for the next year, and assumptions during the useful life period about sales growth and EBITDA margin. Assumptions are based on the Group management's past experiences, knowledge, strategies, and future goals.

For all segments, sales growth is calculated based on the aforementioned assumptions for the first five years. For the extended forecast period in all segments, an eternal growth rate of 2% (2%) has been assumed. Swedencare has built a solid structure for increased growth, which means that the structure is scalable and that costs are not expected to increase at the same rate as revenues. In the impairment test, we have chosen to be conservative with profitability and, despite a scalable model, have not taken out all expected improvements in the EBITDA margin. The operations have stable profit margins in all geographic markets.

Intangible assets with indefinite useful lives are tested at the segment level, which is divided into the European, North American, and Production segment. The present value of the expected cash flow per operating segment is determined by applying a discount rate that reflects the market's assumption about the time value of money and specific risks for the segment.

The assessment of the value of Summit was made in connection with the acquisition analysis and at the time of this year's assessment, no indications of impairment were identified for Summit. Based on that evaluation, no separate calculation of recoverable amount was performed during the year and Summit has not been included in the impairment test.

The reported values of trademarks with indefinite useful lives are presented in note 11.

Impairment test Europe

The European segment has historically shown stronger growth than market expectations, which are relatively flat, and is expected to continue to increase primarily due to the following opportunities:

- Introduction of new products
- Introduction of existing products in new markets
- Continued growth and increased focus in the online channel
- Increased focus on the veterinary channel
- Acquisition of new customers
- Increased orders from existing customers
- Strategic synergies within the group

The useful value of intangible assets exceeds the carrying amount by 1,263.2 MSEK for the European segment. Management assesses that no reasonably possible changes in the key assumptions would result in the calculated total recoverable amount for the European segment being lower than its total carrying amount.

Impairment test North America

The North American segment has shown steady growth over the years and is expected to continue to increase in the future due to the following opportunities:

- Development of new products and their introduction to the market
- New logistic opportunities
- Increased volumes on Amazon
- Direct relationship with Amazon instead of through customers
- Intercompany collaborations
- Channel expansion

The useful value of intangible assets exceeds the carrying amount by 2,465.4 MSEK for the North American segment. It is mainly goodwill and intangible assets with an indefinite useful life that are more sensitive to decreased expected revenues and an increase in the discount rate. Management assesses that no reasonably possible changes in the key assumptions would result in the calculated total recoverable amount for the North American segment being lower than its total carrying amount.

Impairment test Production

The Production segment has shown strong growth and is expected to continue increasing in the future due to the following opportunities:

- Expansion of new and existing production facilities
- Continued growth in online sales
- Several new projects, both external and intercompany (IC)
- Acquisition of new customers

The useful value of intangible assets exceeds the carrying amount by 1,794.1 MSEK for the Production segment. Management assesses that no reasonably possible changes in the key assumptions would result in the calculated total recoverable amount for the production segment being lower than its total carrying amount.

	WACC 2025-12-31	WACC 2024-12-31	Average annual growth rate 2026-2030	Average annual growth rate 2025-2029
North America	9.8%	10.0%	20.7%	18.3%
Europe	10.6%	10.7%	14.6%	13.9%
Production	9.6%	9.8%	23.5%	21.5%

Note 13 Buildings and lands

Group 2025	Buildings and land	Right of use assets	Total buildings and land
Beginning acquisition values	**183.5**	**316.8**	**500.3**
Purchases	4.8	202.6	207.4
Through acquisition of group companies	7.9	-	7.9
Conversion difference	-30.4	-59.5	-89.9
Sales/disposals	-	-6.6	-6.6
Ending accumulated acquisition values	**165.8**	**453.3**	**619.1**
Beginning accumulated depreciation	**-36.8**	**-108.6**	**-145.4**
			-
Annual depreciation	-11.0	-37.1	-48.1
Conversion difference	7.8	18.6	26.4
Disposals/Sales	-	5.8	5.8
Ending accumulated depreciation	**-40.0**	**-121.3**	**-161.3**
Net book value	**125.8**	**332.0**	**457.8**

Group 2024	Buildings and land	Right of use assets	Total buildings and land
Beginning acquisition values	**164.8**	**278.8**	**443.6**
Purchases	11.5	27.5	39.0
Conversion difference	13.9	-	13.9
Sales/disposals	-	-13.7	-13.7
Reclassification	-6.7	24.2	17.5
Ending accumulated acquisition values	**183.5**	**316.8**	**500.3**
Beginning accumulated depreciation	**-23.7**	**-72.7**	**-96.4**
Annual depreciation	-10.9	-36.7	-47.6
Conversion difference	-2.2	-6.9	-9.1
Disposals/Sales	-	7.7	7.7
Ending accumulated depreciation	**-36.8**	**-108.6**	**-145.4**
Net book value	**146.7**	**208.2**	**354.9**

Note 14 Machinery and other tech assets

Group 2025	Machinery and other tech assets	Right of use assets	Total machinery and other tech assets
Beginning acquisition values	**224.3**	**13.8**	**238.1**
Purchases	37.7	5.5	43.2
Through acquisition of group companies	2.7	-	2.7
Sales/disposals	-0.5	-3.6	-4.1
Conversion difference	-36.3	-1.5	-37.8
Reclassifications	1.8	-	1.8
Ending accumulated acquisition values	**229.7**	**14.2**	**243.9**
Beginning accumulated depreciation	**-80.5**	**-7.3**	**-87.9**
Annual depreciation	-33.1	-3.5	-36.6
Sales/disposals	0.3	3.2	3.5
Conversion difference	15.9	0.7	16.6
Reclassifications	-0.2	-	-0.2
Ending accumulated depreciation	**-97.6**	**-6.9**	**-104.5**
Net book value	**132.0**	**7.3**	**139.3**

Group 2024	Machinery and other tech assets	Right of use assets	Total machinery and other tech assets
Beginning acquisition values	**179.8**	**9.9**	**189.7**
Purchases	26.1	4.2	30.3
Sales/disposals	-1.5	-1.0	-2.5
Conversion difference	13.2	0.7	13.9
Reclassifications	6.7	-	6.7
Ending accumulated acquisition values	**224.3**	**13.8**	**238.1**
Beginning accumulated depreciation	**-47.7**	**-4.9**	**-52.6**
Annual depreciation	-28.8	-2.9	-31.7
Sales/disposals	1.5	0.8	2.3
Conversion difference	-5.5	-0.3	-5.8
Ending accumulated depreciation	**-80.5**	**-7.3**	**-87.9**
Net book value	**143.8**	**6.4**	**150.2**

Not 15 Furnitures and fixtures

	Group		Parent company	
	2025	2024	2025	2024
Beginning acquisition values	**17.6**	**17.9**	**0.3**	**0.2**
Through acquisitions of group companies	6.4	0.4	-	-
Purchases	5.1	3.9	0.1	0.1
Sales/disposals	-0.2	-6.0	-	-
Conversion difference	-2.7	1.4	-	-
Reclassifications	-1.6	-	-	-
Ending accumulated acquisition values	**24.6**	**17.6**	**0.3**	**0.3**
Beginning accumulated depreciation	**-9,2**	**-8.6**	**-0.1**	**-0.1**
Sales/disposals	-	3.6	-	-
Conversion difference	1,5	-0.8	-	-
Annual depreciation	-4,7	-3.4	-0.1	-0.1
Reclassifications	0,2	-	-	-
Ending accumulated depreciation	**-12.2**	**-9.2**	**-0.2**	**-0.1**
Net book value	**12.4**	**8.4**	**0.1**	**0.1**

Note 16 Inventory

	Group		Parent company	
	2025	2024	2025	2024
Raw material	203.4	222.9	9.7	8.0
Finished goods	280.1	239.8	-	-
Work in progress	9.2	13.2	-	-
Total	**492.7**	**475.9**	**9.7**	**8.0**

During 2025, 29.4 MSEK (22.4 MSEK) was expensed due to the write-off of inventory. These goods are no longer in stock. Reversal of previously recognized write-downs amounted to 0 MSEK (0 MSEK).

Note 17 Accounts receivable

	Group		Parent company	
Accounts receivable	**2025**	**2024**	**2025**	**2024**
Accounts receivable, gross	289.4	295.4	3.7	10.2
Expected credit losses	-0.4	-2.4	-0.4	-
Total	**289.0**	**293.0**	**3.3**	**10.2**

	Group		Parent company	
Aging analysis of accounts receivable	**2025**	**2024**	**2025**	**2024**
Current accounts receivable	202.6	227.5	1.0	6.1
Accounts receivable aged 1-30 days	50.2	45.3	0.6	1.4
Accounts receivable aged 30-90 days	21.7	8.5	1.5	1.2
Accounts receivable aged >91 days	14.5	11.7	0.2	1.5
Total	**289.0**	**293.0**	**3.3**	**10.2**

The fair value of the accounts receivable corresponds to the reported value. Within the accounts receivable, there is a provision for expected credit losses of 0.4 MSEK (2.4 MSEK).

The group's maximum exposure to credit risk corresponds to the reported values of all financial assets and is shown in the table below.

	Group	
	2025	2024
Accounts receivable	289.0	293.0
Other short-term receivables	11.6	6.2
Accrued revenues	32.2	24.1
Cash	103.0	186.8
Maximum exposure to credit risk	**435.8**	**510.1**

Note 18 Financial assets and liabilities

	Group	
Financial assets at accrued acquisition value	**2025**	**2024**
Deposition	2.0	0.8
Accounts receivable	289.0	293.0
Cash*	103.0	186.8
Total	**394.0**	**480.6**
Financial liabilities at accrued acquisition value		
Long-term debt	1,456.3	1,241.9
Accounts payable	108.1	112.2
Total	**1,564.4**	**1,354.1**

There were no financial instruments measured at fair value in the consolidated balance sheet at the end of the period.

*Cash and cash equivalents consist of cash and available balances with banks and similar institutions.

Note 19 Prepayments and accrued total revenue

	Group		Parent company	
	2025	2024	2025	2024
Prepaid rent costs	2.8	1.5	0.3	0.3
Prepaid insurance costs	4.2	3.7	0.1	0.1
Prepaid marketing costs	1.9	4.8	-	0.5
Prepaid purchases of goods and services	15.3	17.1	1.0	-
Accrued revenues	32.2	24.1	-	-
Other prepaid costs	9.0	40.2	0.7	2.0
Total	**65.4**	**91.4**	**2.1**	**2.9**

Note 20 Other long- and short-term liabilities, interest-bearing

Other long-term liabilities, interest-bearing	Group 2025	Group 2024	Parent company 2025	Parent company 2024
Bank loan	1,456.3	1,241.9	1,456.3	1,241.9
Leasing liability	295.2	180.0	-	-
Total	**1,751.5**	**1,421.9**	**1,456.3**	**1,241.9**

Other short-term liabilities, interest-bearing	Group		Parent company	
Leasing liability	52.6	43.2	-	-
Total	**52.6**	**43.2**	**-**	**-**

Note 21 Pledged collateral and contingent liabilities

	Group/Parent company 2025	Group/Parent company 2024
Corporate mortgage for long-term and short-term debt to credit institutions	28.0	28.0

The Board of Directors has not identified any contingent liabilities.

Note 22 Liabilities to credit institutions

Lenders	Group Loan amount 2025-12-31	Group Loan amount 2024-12-31	Parent company Loan amount 2025-12-31	Parent company Loan amount 2024-12-31
Handelsbanken	-	817.5	-	817.5
SEB and Danske bank	1,456.3	424.4	1,456.3	424.4
Total	**1,456.3**	**1,241.9**	**1,456.3**	**1,241.9**

The loan is subject to financial covenants regarding the financial net debt to EBITDA ratio and interest coverage ratio. Swedencare has met the covenants set by the bank in connection with borrowing during the year.

Note 23 Accrued Expenses and Prepaid Revenues

	Group 2025	Group 2024	Parent company 2025	Parent company 2024
Accrued cost of goods sold	2.4	1.4	-	-
Accrued personnel expense	33.7	31.6	5.4	7.3
Accrued marketing expense	8.0	17.4	0.4	0.1
Accrued interest expense	1.3	4.2	-	4.2
Prepaid revenues	15.7	7.9		-
Other accrued expenses	12.4	22.5	1.1	1.1
Total	**73.5**	**84.8**	**6.9**	**12.7**

Not 24 Other long-term liabilities

	Group 2025	Group 2024	Parent company 2025	Parent company 2024
Acquisition related liabilities*	163.8	5.5	186.3	-
	163.8	**5.5**	**186.3**	**-**

*Remaining contingent consideration related to the acquisition of Summit Veterinary Pharmaceuticals Ltd.

Note 25 Other current liabilities

	Group 2025	Group 2024
Leasing liabilities	52.6	43.2
VAT and personnel-related taxes	22.0	13.9
Other liabilities	4.4	6.1
Total	**79.0**	**63.2**

Note 26 Yearend adjustments

	Parent company 2025	Parent company 2024
Group contributions received	2.3	2.4
Total	**2.3**	**2.4**

Note 27 Specification of shares in subsidiaries

Parent company	Org. Nr	Reg. Location	Number of shares	Capital/ voting rights	Booked value
Swedencare Nordic AB	559001-4568	Malmö, Sweden	500	100%	0.1
Swedencare UK Ltd.	7851598	Leeds, UK	100	100%	5.4
Nutravet (UK) Ltd.	7338477	Bolton, UK	100	100%	382.9
Custom Vet Products Ltd.	6205607	Loughborough, UK	14	100%	137.5
Summit Veterinary Pharmaceuticals Ltd.	06989197	London, UK	1	100%	588.1
Swedencare Ireland Ltd.	20161101	Waterford, Ireland	53,334	100%	43.8
Swedencare France SARL	481599447	Purget-sur-Argens, France	50,000	100%	4.7
Swedencare Spain S.L.	B67392670	Mataró, Spain	5,000	100%	7.6
Biovet I.K.E.	58820604000	Thessaloniki, Greece	386,000	100%	5.8
Innovet Italia SRL	11929510151	Saccolongo, Italien	96,900	100%	527.0
Swedencare Canada Holding Inc.	1000955574	Woodstock, Canada	1	100%	36.4
- Medvant Inc.	5022306	Woodstock, Canada	1,080,010	100%	-
Swedencare North America Inc.	47-5607670	Jupiter, Florida	1,000	100%	7,188.1
- Swedencare USA Inc.	35-2245132	Rosenberg, Texas	-	100%	-
- Stratford Care USA, Inc.	85-1203523	Odessa, Florida	-	100%	-
- Swedencare Tillverka Inc.	85-3648974	Rosenberg, Texas	-	100%	-
- Pet MD Brands LLC	27-5347392	Odessa, Florida	-	100%	-
- Tropichem Holdings, LLC	47-5603301	Jupiter, Florida	-	100%	-
- Fullfillment Advantage Ventures Inc.	81-1746064	Odessa, Florida	-	100%	-
- The Garmon Corp.	95-3374861	Temecula, California	-	100%	-
- Axiom Direct Inc.	87-1004933	Odessa, Florida	-	100%	-
Summary boked value					**8,927.2**

	Parent company	
	2025	**2024**
Opening balance	8,230.9	8,116.7
Purchases	588.1	36.4
Liquidation		-0.9
Shareholder contributions in subsidiaries	108.2	78.7
Ending accumulated acquisition values	**8,927.2**	**8,230.9**

Note 28 Specification of shares in associated companies

	Org. Nr	Reg. Location	Number of shares	Capital/voting rights	Booked value
Almi Health Care sro	17105323	Petrovice, Czechia	299,999,000	40%	0.4
Viyo International BV	BE0818.331.887	Petrovice, Czechia	299,999	50%	9.9
Summary booked value					**10.3**

	Group		Parent company	
	2025	**2024**	**2025**	**2024**
Opening balance	**0.6**	**24.1**	**1.6**	**1.6**
Purchases	8.5	-	8.5	-
Elimination of minority interests upon full acquisition	-	-22.6	-	-
The Group's share of the year's profit	1.1	-0.9	-	-
Ending accumulated acquisition values	**10.3**	**0.6**	**10.1**	**1.6**

Note 29 Number of shares and quota value

	Parent company	
Subscribed and paid shares	**Number of shares**	**Quota value**
Opening balance 2025-01-01	158,862,839	0.01
New share issue	978,119	-
Total outstanding shares 2025-12-31	**159,840,958**	**0.01**
Opening balance 2024-01-01	158,731,900	0.01
New share issue	130,939	-
Total outstanding shares 2024-12-31	**158,862,839**	**0.01**

Note 30 Principles and routines for asset management

The group's objectives with capital management are:
- To ensure the group's ability to continue operations,
- To provide an appropriate return to shareholders by pricing products and services commensurate with the risk level.

The group monitors capital based on the reported value of equity reduced by cash and cash equivalents as reported in the statement of financial position and cash flow hedges reported in other comprehensive income, as well as through ratios for Net Debt/EBITDA and the group's solvency. Within the framework of capital management, the group monitors the following key financial covenant targets as per the bank's terms: net debt to proforma R12 operational EBITDA ratio and interest coverage ratio.

Management assesses the group's capital requirements to maintain an efficient overall financing structure while avoiding excessive leverage. This also includes subordinate levels of the group's various debt classes. The group manages the capital structure and makes adjustments to it based on changing economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the group may adjust the amount of dividends to shareholders, repay capital to shareholders, issue new shares, or sell assets to reduce debts.

The amounts managed as capital by the group for the current financial year are summarized as follows:

	Group	
	2025	**2024**
Total equity	6,665.0	8,032.1
Cash	103.0	186.8
Capital	**6,768.0**	**8,218.9**
Total equity	6,665.0	8,032.1
Debt issuance	1,456.3	1,241.9
Total financing	**8,121.3**	**9,274.0**
Capital adequacy ratio	**0.8**	**0.9**
Interest-bearing net debt	1,701.0	1,278.4
EBITDA	451.3	540.9
Net debt/EBITDA*	**3.8**	**2.4**
Equity	6,665.0	8,032.1
Balance sheet total	9,509.4	10,316.4
Solvency	**70.1%**	**77.9%**

*Net debt/Proforma R12 op. EBITDA: 2,9 (2024: 2,1)

Note 31 Financial items

	Group		Parent company	
	2025	**2024**	**2025**	**2024**
Dividend from group companies	-	-	245.9	376.1
Interest income group companies	-	-	3.6	2.2
Exchange rate gains	13.1	6.0	13.1	5.6
Interest income	2.5	2.7	1.1	1.7
Financial income	**15.6**	**8.7**	**263.7**	**385.6**
Leasing interest	-6.7	-6.8	-	-
Interest expenses group companies	-	-	-5.1	-1.1
Other interest costs	-51.8	-75.4	-51.7	-75.3
Exchange rate losses	-3.7	-	-3.4	-
Present value calculation earn-out	-12.9	-0.1	-	-
Impairment of shares in subsidiaries	-	-	-	-0.8
Financial costs	**-75.0**	**-82.3**	**-60.2**	**-77.2**
Financial items	**-59.3**	**-73.6**	**203.5**	**308.4**

The group's and parent company's interest expenses pertain to interest related to liabilities valued at accrued acquisition cost. Other financial income in the parent company relates to currency exchange gains on liabilities valued at accrued acquisition cost. Financial liability related to additional purchase price in business acquisitions is valued at fair value through income statement.

Swedencare has a financial liability related to contingent consideration from a business acquisition, which is measured at fair value through profit or loss. The contingent consideration is attributable to the acquisition of Summit and is based on Summit's sales through 2027.

Swedencare's best estimate of the fair value of the financial liability related to the contingent consideration as of December 31st, 2025 amounts to 163.8 MSEK. The fair value measurement is classified as Level 3 in the fair value hierarchy, meaning that the fair value has been determined using a valuation model with significant inputs based on unobservable data. The valuation has been performed based on expected future cash flows discounted using a market-based interest rate.

The change in value is recognized as a financial expense of 12.9 MSEK during the year. The discount rate (WACC) amounted to 10.8%.

Note 32 Exchange rate differences in the profit and loss

Accounts receivable and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. Exchange rate differences on operating receivables and operating liabilities are included in the operating result, while exchange rate differences on financial receivables and liabilities are reported among financial items.

	Group		Parent company	
	2025	**2024**	**2025**	**2024**
In operating profit	-3.1	-0.5	-0.8	0.8
In financial items	9.4	5.9	9.7	5.6
Total	**6.3**	**5.4**	**8.9**	**6.3**

Note 33 Risk related to financial instruments

Risk management objectives and principles

The Group is exposed to various risks related to financial instruments. Summary information regarding the Group's financial assets and liabilities, categorized by type, is presented in Note 18. The main types of risks are market risk, credit risk and liquidity risk. The Group's risk management is coordinated at its headquarters.

The Group's financial risk management is monitored by a Group-wide policy in the form of the Financial Handbook. The Handbook has been approved by the Board of Directors and is reviewed annually or as needed. It defines the Group's guidelines, allocation of responsibilities, and permitted instruments for managing financial risks.

The ultimate responsibility for risk management rests with the Board of Directors, which continuously monitors the Group's financial position and risk exposure. The CEO is responsible for operational coordination and ensures that the work is carried out in accordance with the principles of the Financial Handbook. The Board receives regular updates on the Group's financial position, liquidity, cash flows, financing and significant risks. Any deviations from the policy or established risk limits are handled in accordance with defined procedures.

The Group does not engage in active trading of financial instruments for speculative purposes and does not issue options. Instead, risk management activities focus on identifying, measuring, monitoring and mitigating the most significant financial risks within the business. The risks considered most material to the Group are described below.

	Short-term		Long-term	
2025-12-31	**Within 6 months**	**6-12 months**	**1-5 years**	**Later than 5 years**
Bank loans and interest	20.8	20.8	1,522.4	-
Leasing obligations	28.6	28.7	185.5	153.2
Accounts payable and other liabilities	108.1	-	-	-
Total	**157.5**	**49.5**	**1,707.9**	**153.2**

	Short-term		Long-term	
2024-12-31	**Within 6 months**	**6-12 months**	**1-5 years**	**Later than 5 years**
Bank loans and interest	26.5	25.9	1,281.5	-
Leasing obligations	23.2	23.3	145.9	52.2
Accounts payable and other liabilities	112.2	-	-	-
Total	**161.9**	**49.2**	**1,427.4**	**52.2**

Market risk analysis

The group does not hold any hedging instruments. The group is exposed to market risk through its use of financial instruments, particularly foreign exchange risk.

Currency risk
Swedencare is exposed to currency risks in the form of transaction risk and conversion risk. Transaction risk arises when a group company sells or purchases products or services in a currency other than the local currency of the respective group company. Conversion risk refers to the translation into Swedish kronor of income statements and net assets in foreign subsidiaries.

The exchange rate development affects the group's results to some extent since invoicing mainly occurs in USD and Euro, which is largely offset by the Group's international subsidiary operations and purchases from suppliers in France, the USA, and Ireland. All currency accounts are translated at the balance sheet date, and the translation difference for the full year 2025 amounted to -1,423.6 MSEK (756.0 MSEK).

Net sales in USD account for 68% of the Group's total revenue. A change in USD by +/-10% would result in a change in net revenue of +/- 183.7 MSEK. Net sales in EUR account for 9% of the Group's total revenue. A change in EUR by +/-10% would result in a change in profit of 24.6 MSEK. Net sales in GBP account for 16% of the Group's total revenue a change in GBP by +/-10% would result in a change in profit of 42.6 MSEK.

Interest rate risk and financing risk
Swedencare's financing of capital needs and refinancing of outstanding loans may become more difficult or costly at any given time. Swedencare is also exposed to interest rate risk due to external loans from financial institutions. Interest rate risk is the risk that changes in market interest rates adversely affect cash flow, earnings, and the real value of financial assets and liabilities. Swedencare mitigates financing risk by maintaining good creditworthiness, amortizing its loans, and through unused loan facilities.

Swedencare's debts to credit institutions amounted to 1,460 MSEK as of December 31st, 2025. The Group has a term-loan of 800 MSEK and a Revolving Credit Facility (RCF) of 1,000 MSEK, of which the utilized amount was 660 MSEK as of December 31st, 2025. The utilized amount is divided into two draws, maturing at 1-month intervals. The loans are subject to a floating interest rate (STIBOR + margin) linked to net debt. The weighted average interest rate as of December 31st, 2025, was 2.95% (4.13%). The loans extends to June 2028 with the possibility of two extension options of one year at a time, which gives a possible final maturity in June 2030. As of December 31st, 2025 the Group has unused credit facilities of 340 MSEK.

The loans are subject to financial covenants regarding the financial net debt in relation to pro forma R12 operational EBITDA and the interest coverage ratio. As of December 31st, 2025, net debt in relation to pro forma R12 operational EBITDA, both adjusted for IFRS 16, amounted to 2.9. This is compared with 2.1 as of December 31st, 2024. See Note 22 for further information on borrowings from credit institutions.

The reported value of the loans, amounting to 1,456.3 MSEK, together with interest of 54.6 MSEK per balance sheet date, totals 1,510.9 MSEK. The loans are subject to financial covenants regarding financial net debt in relation to EBITDA and interest coverage ratio. Swedencare has met the covenants set by the bank in connection with borrowing during the year.

Note 33 Risk related to financial instruments -cont.

Credit risk analysis

Swedencare is subject to credit risk. Credit risk is the risk that a counterparty fails to fulfill an obligation to the group. The group is exposed to this risk through various financial assets such as cash in banks, trade receivables, and other receivables.

Credit risk management

Credit risk management is conducted at the group level based on the group's policies and procedures for managing credit risk. The credit risk concerning cash in banks and bank deposits is managed by exclusively using large and reputable financial institutions. The group utilizes advance payments for new customers, and credit terms range from 30 to 180 days. Ongoing credit risk is managed through regular reviews of the aging analysis per customer. Trade receivables consist of a moderate number of corporate customers across various geographical areas. The Group's largest customer is Amazon, which is the only customer that exceeds 10% of net sales.

Trade receivables

Assessment of expected credit losses on trade receivables is done collectively because they share common credit risk characteristics. For assessing expected credit losses, the group monitors observed customer losses over the past two fiscal years, a calculation of observed customer losses during 2024-2025 has been performed, showing a customer loss of 0.1%. This calculation is conducted and reassessed semi-annually. Given the short period of time that trade receivables are exposed to credit risk and the historical absence of significant customer losses, no collective provision is made as it is not deemed material. However, the group conducts an individual assessment of expected credit losses on trade receivables that are past due for payment, as this, combined with the absence of a payment plan, indicates that there is no probable expectation of receiving full payment. See Note 17.

Collaterals

The Group does not hold any collateral regarding other financial assets (such as derivative instruments and cash at banks).

Liquidity risk

Liquidity risk is the risk that the group may not be able to meet its obligations. The group's cash and cash equivalents amounted to 103.0 MSEK (186.8 MSEK) as of December 31st, 2025. As of the same date, the group had interest-bearing long-term and short-term debts totaling 1,804.1 MSEK (1,278.4 MSEK). As of December 31st, 2025, the group's net debt amounted to 1,701.0 MSEK (1,421.3 MSEK).

The group generates a positive cash flow from operating activities every quarter. The group considers expected cash flows from financial assets in assessing and managing liquidity risk, especially cash reserves and accounts receivable. The group's existing cash reserves and accounts receivable significantly exceed current requirements for cash outflows. Cash flows from accounts receivable and other receivables all fall due within six months.

Note 34 Cash flow

Interest rates	Group 2025	Group 2024	Parent company 2025	Parent company 2024
Interest received	2.5	2.8	4.7	3.9
Interest paid	-57.1	-75.0	-57.8	-76.0
Interest, net	**-54.6**	**-72.2**	**-53.1**	**-72.1**

Non cash flow affecting items	Group 2025	Group 2024	Parent company 2025	Parent company 2024
Depreciation	310.6	315.9	0.6	1.1
Realization gain/loss	-2.7	2.0	-2.7	-
Capital gain/loss	0.2	-	-	-
Fair value calculation of contingent consideration	-12.9	-	-	-
Interest costs not affecting cash flow	-6.8	-6.8	-	-
Inventory fair value adjustment	44.0	-0.1	-	-
Other	-0.4	4.6	-0.7	-0.4
Total	**332.0**	**315.6**	**-2.8**	**0.7**

Reconciliation of liabilities related to financing activities - Group	Opening balance 2025-01-01	Cash flows	Non cash flow affecting items: Acquisitions	Non cash flow affecting items: Reclassification	Non cash flow affecting items: Conversion difference	Ending balance 2025-12-31
Bank loan	1,241.9	217.0	-	2.6	-	1,461.5
Leasing liability	223.2	-39.1	206.6	-	-42.9	347.8
Total	**1,465.1**	**177.9**	**206.6**	**2.6**	**-42.9**	**1,809.3**

Reconciliation of liabilities related to financing activities - Group	Opening balance 2024-01-01	Cash flows	Non cash flow affecting items: Acquisitions	Non cash flow affecting items: Reclassification	Non cash flow affecting items: Conversion difference	Ending balance 2024-12-31
Bank loan	1,441.2	-200.0	-	0.7	-	1,241.9
Leasing liability	217.4	-37.6	25.4	-	18.0	223.2
Total	**1,658.6**	**-237.6**	**25.4**	**0.7**	**18.0**	**1,465.1**

Reconciliation of liabilities related to financing activities - Parent company	Opening balance 2025-01-01	Cash flows	Non cash flow affecting items: Acquisitions	Non cash flow affecting items: Reclassification	Non cash flow affecting items: Conversion difference	Ending balance 2025-12-31
Bank loan	1,241.9	217.0	-	2.6	-	1,461.5
Total	**1,241.9**	**217.0**	**-**	**2.6**	**-**	**1,461.5**

Reconciliation of liabilities related to financing activities - Parent company	Opening balance 2024-01-01	Cash flows	Non cash flow affecting items: Acquisitions	Non cash flow affecting items: Reclassification	Non cash flow affecting items: Conversion difference	Ending balance 2024-12-31
Bank loan	1,441.2	-200.0	-	0.7	-	1,241.9
Total	**1,441.2**	**-200.0**	**-**	**0.7**	**-**	**1,241.9**

Note 35 Acquisitions

Swedencare acquires Summit Veterinary Pharmaceuticals Limited, a leader in the UK's thriving Animal Health Specials Market On April 1st, 2025
Swedencare acquired 100% of the shares in the leading UK-based company, Summit Veterinary Pharmaceuticals Limited ("Summit"). The company provides customized specialty pharmaceuticals for companion animals and had annual revenues of 7.3 MGBP for 2024 calendar year, along with an operational EBITDA of 2.7 MGBP, resulting in an EBITDA margin of 37%.

The initial purchase price is 30 MGBP (389.3 MSEK) along with a two-year earn-out arrangement. The cash consideration include 27 MGBP (349.6 MSEK) drawn from available cash and RCF-credit and an issue-in-kind of 978,119 shares in Swedencare (39.7 MSEK) to the seller upon closing. The share price of 40.6 SEK for Summit is calculated based on the weighted average price of the parent company's shares during the last 20 banking days prior to March 21st, 2025, and is based on the average GBP/SEK exchange rate for the same period, which was 13.2372. A condition-based purchase price (earnout) of a maximum 15 MGBP may be payable if certain conditions are met by April 1st, 2027.

Summit develops, produces, and sells Animal Health Specials exclusively for veterinary professionals in the UK and Hong Kong. With this strategic acquisition, Swedencare has boosted its presence in the rapidly growing Animal Health Specials market. Summit's strong product portfolio, primarily focused on small animals, has recently expanded into the equine sector. Several new products are set to be introduced in the coming years. Summit's customer base includes over 5,500 veterinary clinics across the UK. No part of the recorded goodwill is expected to be deductible for income tax purposes.

Asset acquisitions

Acquisitions of companies can be classified as either business acquisitions or asset acquisitions, and each acquisition requires an individual assessment. According to IFRS, a business must comprise an integrated set of activities and assets, including at least one input and a significant process that together contributes significantly to the ability to generate output (return). If an acquisition does not generate current output but includes an identifiable asset that can generate output in the future, an organized workforce is required for the acquisition to be classified as a business acquisition. If an acquisition is not assessed as a business, it is reported as an asset acquisition. A concentration test can be voluntarily applied to determine if an acquisition is an asset acquisition. The test implies that if substantially all of the fair value of the acquired gross assets can be attributed to a single asset or a group of similar assets, the acquisition is classified as an asset acquisition.

Acquisition of Amazon account and inventory
During the second quarter of 2025, Swedencare completed an asset acquisition of an established Amazon account and associated inventory from our former partner. The account in question has historically been an important sales channel for several of NaturVet's brands, and the acquisition enables continued growth while maintaining operational stability.

The transition of NaturVet's Amazon sales in-house, originally planned for the end of 2025, was brought forward in order to reduce business risks and ensure sales continuity. The takeover became effective on April 23rd, 2025.

The total purchase price is lower than the expected annual profit increase from the business, meaning the transaction is expected to contribute positively to both revenue and profitability during the current fiscal year. By acquiring an existing Amazon account, the risks typically associated with migrating to a new seller account, such as loss of revenue, increased marketing costs, and temporarily reduced visibility in the platform's algorithms are avoided.

The acquisition strengthens our presence on Amazon and lays the foundation for continued growth within our prioritized product categories.

Pack Approved
During the first quarter of 2025, Swedencare completed an acquisition classified as an asset acquisition — trademark rights to Pack Approved™, a leading brand and supplier of unique, exotic, and sustainable protein-based health treats for pets. The company primarily sells online (Amazon & Chewy) through PetMD, and the Pack Approved brand represents an additional opportunity within our fast-growing Treats category. These products, made with only one or two ingredients, offer unique protein sources and formats that support our sustainability efforts and enable us to increase our market share within this segment. Pet owners are increasingly demanding high-quality and sustainably produced snacks for their animals, and this expansion allows us to leverage our existing sales channels to offer differentiated solutions to a broader range of customers.

The first part of the purchase price amounted to 23.8 MSEK (2.1 MUSD) and impacted cash flow during the first quarter of 2025. The second part of the purchase price, 9.8 MSEK (1.0 MUSD), has been paid in the third quarter of 2025. A conditional earnout of 10.0 MSEK (1.0 MUSD) has also been paid since conditions were met before February 4th 2027.

Minority acquisition

Viyo
During the third quarter of 2025, Swedencare invested in a minority stake in Viyo, an innovative Belgian company developing liquid products to strengthen pets' immune systems, support recovery after surgery, and assist cats with chronic kidney disease (CKD). The investment includes an option to acquire the remaining shares upon the achievement of certain milestones, creating long-term opportunities. The purchase price amounted to 8.5 MSEK.

Note 35 Acquisitions
-cont.

Acquisition:	Summit
Purchase price:	
Cash payment for this year's acquisition	349.6
Issue in kind of shares	39.7
Additional purchase price	157.8
Total Purchase price	**547.1**
Payments for acquisitions:	
Payment for this year's acquisition	349.6
Issuance costs that are deductible items in equity	0.1
Transaction costs that are included in Net income as Other external costs	4.8
Total paid	**354.5**
Contributions from acquired companies:	
Contribution from the time when the controlling influence existed	
Total revenue	81.4
Net income	**28.2**
Contributions if the acquisitions had been made January 1st, 2025.	
Total revenue	106.5
Net income	**32.7**

Final acquisition analysis	Summit
Acquired assets and liabilities	
Intangible assets	392.2
Tangible assets	17.0
Inventory	57.6
Accounts receivable	14.1
Other current receivables	3.7
Total acquired net assets	**484.6**
Accounts payable	-3.3
Deferred tax liability	-112.1
Other current assets	-5.3
Total acquired net liabilities	**-120.7**
Goodwill	183.2
Total	**547.1**

Note 36 Proposed allocation of profits

The following retained earnings are available to the Annual General Meeting in the parent company, in Swedish kronor:

Retained earnings and free share premium reserve	7,048,482,869
This year's profit	207,111,368
Profit available for appropriation	**7,255,594,237**

The board proposes that the profits be appropriated as follows:

Dividend to shareholders 0,28 SEK x 159,840,958	44,755,468
Transferred to retained earnings	7,210,838,769
Total	**7,255,594,237**

Note 37 Transactions with related parties

Transactions with related parties occur within the ordinary course of business and are conducted on commercial terms and at market prices. In addition to the usual transactions between group companies and compensations to management and the board of directors, the following transactions with related parties have taken place during the period from January 1st - December 31st, 2025:

- Purchased services from companies controlled by executives for an amount of 0.4 MSEK
- Sold products to companies controlled by senior executives for 0.0 MSEK

Parent Company's related-party transactions consist only of transactions with related companies within the Group, as well as transactions in the form of dividends within the Group. See also Note 8 regarding remuneration to employees, the board, and key management personnel.

Group **Related party relationship**		**Sales of goods/ services to related parties**	**Purchases of goods/ services from related parties**	**Interest, dividends and group contributions**	**Receivables from related parties as of Dec 31st**	**Liabilities to related parties as of Dec 31st**
Associates	2025	-	-	-	0.3	-
	2024	-	-	-	-	-
Other related parties	2025	0.0	0.4	-	-	0.0
	2024	0.0	0.2	-	-	-

Parent company **Related party relationship**		**Sales of goods/ services to related parties**	**Purchases of goods/ services from related parties**	**Interest, dividends and group contributions**	**Receivables from related parties as of Dec 31st**	**Liabilities to related parties as of Dec 31st**
Subsidiaries	2025	50.6	18.5	249.7	105.8	172.5
	2024	47.9	17.9	379.6	53.6	67.4
Associates	2025	-	-	-	0.3	-
	2024	-	-	-	-	-
Other related parties	2025	-	0.4	-	-	0.0
	2024	-	0.2	-	-	-

Note 38 Significant events after the yearend

There are no significant events after the end of the financial year to report.

Approval of the annual financial report and consolidated accounts

The Annual financial report and consolidated accounts for the financial year ended December 31st, 2025 (including comparative figures) was approved by the Board on March 31st, 2026 and signed on April 2nd, 2026.

Malmö April 2nd, 2025

Håkan Lagerberg
CEO

Håkan Svanberg
Chairman of the Board

Johan Bergdahl
Board Member

Isabelle Guiller
Board Member

Sara Brandt
Board Member

Thomas Eklund
Board Member

Jean-Yves Parisot
Board Member

Ulrika Valassi
Board Member

The audit report has been submitted with the date corresponding to the electronic signature.

Deloitte AB
Maria Ekelund
Authorized public accountant

Auditor's report

To the general meeting of the shareholders of Swedencare AB (publ) corporate identity number 556470-3790.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Swedencare AB (publ) for the financial year 2025-01-01 - 2025-12-31. The annual accounts and consolidated accounts of the company are included on pages 62-100 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31st, 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31st, 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-61, and pages 99-100. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are

- inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Swedencare AB (publ) for the financial year 2025-01-01 - 2025-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group´s financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Malmö, date corresponding to the electronic signature.

Signature on Swedish original

Deloitte AB
Maria Ekelund
Auktoriserad revisor

Definition of KPI's and operational KPI's

In this report, Swedencare reports information that the company management uses to assess the group's development. Some of the key figures presented are not defined according to IFRS. The company believes that these measures provide valuable supplementary information to stakeholders and the company's management as they contribute to the evaluation of relevant trends and the company's performance. Since not all companies calculate KPI's in the same way, these are not always comparable to measures used by other companies. These key figures should therefore not be seen as a replacement for measures defined according to IFRS. ESMA's guidelines on "alternative performance measures" are applied, which means extended disclosure requirements regarding key figures that are not defined according to IFRS. Below is a reconciliation of the key figures that Swedencare considers relevant according to these guidelines.

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 cost of sales

Gross margin (%)
Gross profit as a percentage of net revenue

EBITDA
Operating profit depreciation, amortization and other costs

EBITDA-margin (%)
EBITDA as a percentage of net revenue

EBITA
Operating profit before amortization and other costs[

EBITA-margin (%)
EBITA 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
Profit for the period attributable to the parent company's shareholders in relation to the average number of shares (definition according to IFRS)

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.

Proforma EBITDA
Operating profit before depreciation and other operating expenses, and acquired company's operating profit before depreciation and other operating expenses during the same period.

Operational Gross Profit
Gross profit excluding items affecting comparability. The measure is relevant for showing the group's results generated by activities

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 activities.

Operational EBIT-margin (%)
Op. EBIT as a percentage of net revenue.

Net debt/Proforma R12 operational EBITDA
Net debt, excluding lease liabilities, in relation to proforma R12 operational EBITDA, adjusted for acquired companies during the relevant period, as if such companies have been acquired on the first day of the period.

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.

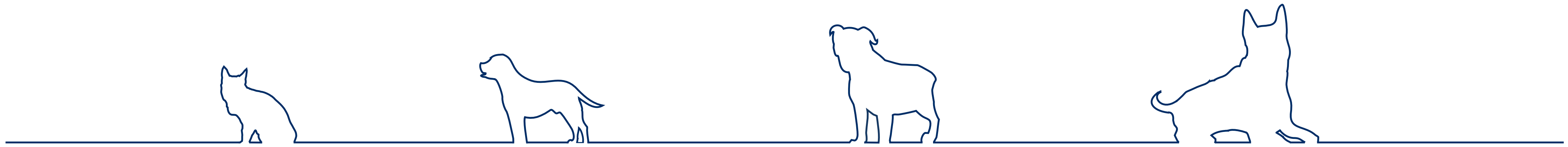
Definition of KPI's
-cont.

Consolidated Operational KPI's (MSEK)

	2025	2024
Net revenue	2,683.1	2,530.2
Operational gross profit	**1,557.9**	**1,464.9**
Operational gross margin (%)	*58.1%*	*57.9%*
Revaluation of acquisition stock to fair value	-47.9	-12.9
Effect of changes in inventory value estimates and judgments	-	-2.2
Gross profit	**1,510.0**	**1,449.7**
Gross margin (%)	56.3%	57.3%
Operational EBITDA	**511.0**	**560.7**
Operational EBITDA-margin (%)	*19.0%*	*22.2%*
Acquisition costs	-6.3	-1.6
Revaluation of acquisition stock to fair value	-47.9	-12.9
Effect of changes in inventory value estimates and judgments	-	-5.3
Other non-operational items affecting comparability	-5.5	-
EBITDA	**451.3**	**540.9**
EBITDA-margin (%)	16.8%	21.4%

	2025	2024
Operational EBITA	**424.4**	**478.0**
Operational EBITA-margin (%)	*15.8%*	*18.9%*
Acquisition costs	-6.3	-1.6
Revaluation of acquisition stock to fair value	-47.9	-12.9
Effect of changes in inventory value estimates and judgments	-	-5.3
Other non-operational items affecting comparability	-8.4	-
EBITA	**361.8**	**458.2**
EBITA-margin (%)	13.5%	18.1%
Operational EBIT	**421.6**	**476.4**
Operational EBIT-margin (%)	*15.7%*	*18.8%*
Acquisitions costs	-6.3	-1.6
Revaluation of acquisition stock to fair value	-47.9	-12.9
Effect of changes in inventory value estimates and judgments	-	-5.3
Other non-operational items affecting comparability	-8.4	-
Depreciation of acquisition-related intangible assets	-218.4	-231.7
EBIT	**140.7**	**225.0**
EBIT-margin (%)	5.2%	8.9%

Premium Pet Health Care products.
Read more at swedencare.com



SWEDENCARE