

Swedencare AB (publ) acquires US company with focus on veterinarian pet nutraceutical products

Swedencare AB (publ) ("Swedencare") acquires the US company RxV Enterprises with its fully owned subsidiary Rx Vitamins ("Rx Vitamins" or "Rx"), a nutraceutical specialist with a focus on pet premium brands. The purchase price amounts to USD 23 million (approximately SEK 200 million) and consists of a cash amount of USD 18,4 million (approximately SEK 160 million) and an issue in kind of 95 542 shares in Swedencare, representing USD 4,6 million (approximately SEK 40 million), to the sellers at closing, which is expected to take place April 1, 2021. Through the acquisition Swedencare will receive one of the first nutraceutical pet product brands in the US. Since 1998, RX Vitamins has set the standard in the development of safe, well-researched, condition-specific formulas to help primarily veterinarians in their line of work.

The acquisition of the business is conditional on certain customary contract terms.

About Rx Vitamins

Rx Vitamins, which was founded by the sole owner Craig Kisciras in 1998, is completely dedicated to providing veterinarians with nutritional formulations designed to enhance pet patient outcomes. As a founding member of the National Animal Supplement Council (NASC) Rx Vitamins stands out in the business as a reliable and respected company.

The Rx customers are primarily veterinarians buying direct or through a selected number of distributors in the US. Rx also has international sales in selected markets and also some products for the Human market. The pet products are all formulated by Dr. Robert J. Silver, Chief Medical Officer. Dr Silver is also a frequent speaker at veterinary conferences worldwide and writes extensively regarding on an integrative medicine approach to patient care. Only truly pure, high quality raw materials are employed in the manufacturing of all Rx Vitamins for Pets formulas.

Rx Vitamins had sales of USD 8.5 million (approximately SEK 74 million) in the financial year 2020 with an adjusted EBIT of USD 2.6 million (approximately SEK 22.6 million) representing an EBIT margin of 31%.

The purchase price of USD 23 million, on a cash- and debt free basis, correlates to approximately 8.8 times the adjusted EBIT of 2020.

"With the acquisition of Rx Vitamins, we take yet another step towards creating a leading, global pet health care group with products to pets and companion horses. Craig has built up a unique and extremely well reputed company with scientifically based high quality products. With our group company Holden2 being given the responsibility to launch the Rx product line on online platforms in 2020 we've seen the strength and appeal of the brand. We see many opportunities to fuel the online

sales and launch the Rx products within our group companies and on more international markets. Also, to have access to Dr. Silver and Craig will help Swedencare's new product development and underlines our commitment to be in the forefront of innovative and uniquely designed products for the well-being of pets." says Håkan Lagerberg, CEO of Swedencare.

Rx Vitamins will continue to be led by the seller and founder, Craig Kisciras, who also becomes a significant shareholder in Swedencare.

"Rx Vitamins has built a range of sophisticated and effective veterinary nutraceutical formulas over the past 20 years. The opportunity to join the Swedencare group with the global resources, expertise and management talent they offer is the perfect complement to our vision and the growth of our brand. We were courted by several companies over the past few years and received offers that we turned down as we were waiting for the "right one". For Rx Vitamins, Swedencare is indeed the right one. We could not be more excited", says Craig Kisciras, founder of Rx Vitamins.

The Group

The Swedencare group, as it will be compiled after the acquisition of Rx Vitamins, had for the 12month period Jan 2020 – Dec 2020 (pro forma), using the average exchange rate for the period, a turnover of approximately SEK 593 million with an EBITDA of approximately SEK 169 million, equal to an EBITDA-margin of 28%.

Further information in regards to the acquisition can be found on the website of Swedencare www.swedencare.se. Further information about Rx Vitamins can be found at www.rxvitamins.com

The Law firm Lindahl KB have assisted Swedencare with advice in the transaction.

For more information, please contact:

Håkan Lagerberg, CEO Swedencare
Phone: +46 (0)73 517 01 70
Email: hakan.lagerberg@swedencare.se

Jenny Graflind, CFO Swedencare
Phone: +46 (0)73 944 85 54
Email: jenny.graflind@swedencare.se

Per Malmström, Chairman of the Board
Phone: +46 (0)70 725 28 36

FNCA is the Certified Adviser of the Company
Phone: +46 (0) 8 528 00 399
Email: info@fnca.se

Please visit the Company homepage www.swedencare.se

About Swedencare

Swedencare, a listed company on NASDAQ First North Growth Market, is specialized in pet healthcare and produces partly in own factories, markets and sells premium products on the global and fast-growing market. The company has a wide range of strong brands and products within most therapy areas, which includes, to mention some, Animal Pharmaceuticals®, nutravet®, NutriScience, PetMD®, Stratford®, VetWELL® as well as ProDen PlaqueOff® for oral health to dogs and cats. Swedencare's headquarter is situated in Malmö, Sweden with eleven subsidiaries located in seven countries and the products are sold in approximately fifty markets. Swedencare's sales have increased significantly over the last few years with strong margins and profits.

This information is information that Swedencare is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-03-31 18:00 CEST.

Attachments

[Swedencare AB \(publ\) acquires US company with focus on veterinarian pet nutraceutical products](#)