

Swedencare AB (publ) acquires the Italian pet healthcare company Innovet

Swedencare AB (publ) ("Swedencare") acquires the Italian company Innovet, one of Italy's leading and most profitable supplement companies focused on the veterinary segment. The purchase price amounts to EURO 50 million (approximately SEK 525 million) and consists of EURO 42,5 million (approximately SEK 446 million) in cash and an issue-in-kind of 606 799 shares in Swedencare, EURO 7.5 million (approximately SEK 79 million) upon closing, which is expected to take place after required regulatory approval. Through the acquisition, Swedencare will receive a strong position within supplements on the Italian pet healthcare market, while Innovet's internationalization will have increased resources through Swedencare's global distribution network.

About Innovet

Innovet, founded in 1996 by the owner family della Valle, has an in-house developed and patent-protected portfolio of science-based products in several categories. The products are offered primarily to the Italian veterinary segment, online and internationally. The market share in Italy is estimated at approximately 2.5%.

Innovet's products covers therapy areas such as joint, dermatology and pain relief. The company's product development is largely based on scientific studies about the replication of the body's natural defense mechanisms.

Innovet's sales for TTM October 2020 - September 2021 were EURO 12.6 million (approximately SEK 128.8 million) with an adjusted EBITDA of EURO 4.5 million (approximately SEK 45.7 million) (35.4%).

The purchase price of EURO 50 million (approximately SEK 525 million), on a cash- and debt free basis, correlates to 11.2 times the company's adjusted EBITDA for the period TTM October 2020 - September 2021.

CEO and co-founder Renato della Valle will continue to lead the company while at the same time as the holding Epinn Srl owner company becomes a shareholder in Swedencare.

"Innovet has marketed and sold ProDen PlaqueOff® in Italy (under trademarks Restomyl® Supplemento and Dentalcroc) for many years in a successful way and we have got to know Renato della Valle and his company as a good partner for our continued investments in science-based product development in the premium segment. At the same time, we can contribute to the acceleration of Innovet's internationalization, the synergies are obvious and can be launched immediately." says Håkan Lagerberg, CEO of Swedencare.

"After 25 years of investments to transfer scientific innovation coming from our research network to the Pet health field, we are so excited to become members of the growing international Swedencare group. This will open many international market opportunities to our innovative science-based products. Innovet and Swedencare share the same philosophy - pets deserve proven products with the highest quality for their wellbeing. We also share the ambition to grow with a high profitability, something that is a guarantor for continued improvement in all we do. Many opportunities are waiting for us in the new market niches and we look forward to continue our development within the Swedencare family with presence around the globe." says Innovet's CEO Renato della Valle.

Further information regarding the acquisition can be found on the website of Swedencare www.swedencare.com. For further information about Innovet, see the company's website www.innovet.it.

Financing

The cash part of the acquisition purchase price is intended to be financed with a bank credit. The sellers of Innovet have entered into a customary lock-up with the Company of 12 months for 3/3 of the shares, 24 months for 2/3 of the shares and 36 months for 1/3 of the shares following the completion of the Share Issue.

Advisors

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

Presentation of the acquisition

A presentation of the acquisition will be held January 27th at 11:00am CET and can be followed via live webinar. Presentation will be held in English, no registration is needed.

Please use this link to join the webinar:

<https://swedencare.webinargeek.com/swedencare-investor-relations-presentation/join/jaf2uvq8>

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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 2022-01-26 17:31 CET.

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 twelve 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.

About Innovet

Innovet Italia (www.innovet.it), founded in 1996, is a pet healthcare company with a portfolio of premium science-based products for the wellbeing of pets. The development strategy is to transfer to the animal health field the innovation generated from the research. Innovet products replicates the body's natural defense mechanisms with the aim to maintain health and wellbeing of pets. The main development field is based on bioavailable PEA (i.e., um-PEA) and related compounds (ALIAmides), acting on the endocannabinoid system. The product offering, covering multiple categories e.g., joints (Condrogen®, Condrostress®, Glupacur®), dermatology (Redonyl®, Retopix®), and pain relief (Alevica®), are marketed and sold to Italian vet clinics, pharmacies and online. The company has

offices and in-house development facilities in Saccolongo, Italy.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the Group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or the Nasdaq First North Growth Market Rule Book for Issuers.

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Attachments

[Swedencare AB \(publ\) acquires the Italian pet healthcare company Innovet](#)