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Swedencare intends to carry out a directed share issue

Swedencare AB (publ) ("Swedencare" or the "Company") has mandated Pareto Securities ("Pareto") and Skandinaviska Enskilda Banken ("SEB"), together the "Joint Bookrunners", to evaluate the conditions for carrying out a directed share issue up to circa 35.5 million newly issued shares, through an accelerated book building procedure, based on the authorisation granted to the board of directors on the extraordinary general meeting on 18 January 2022 (the "Share Issue").

If the Company carries out the Share Issue, the proceeds received from the Share Issue will be used to partly finance the acquisitions of The Garmon Corporation ("NaturVet") and Innovet Italia Srl ("Innovet"), which was communicated in a separate press release earlier today.

The book building procedure will start immediately after the publication of this press release. Pricing and allocation of the new shares in the Share Issue is expected to take place before start of trading on Nasdaq First North Growth Market on 27 January 2022. By establishing the subscription price in the Share Issue through an accelerated book building procedure, it is the assessment of the board of directors that the subscription price will accurately reflect current market conditions and demand. The exact timing of closing of the book building, pricing and allocation is at the discretion of Swedencare and the Joint Bookrunners and may be cancelled at any point in time. Swedencare will announce the outcome of the Share Issue immediately after closing of the book building in a subsequent press release. One of the Company's largest shareholders, Symrise AG, has indicated interest to subscribe for shares in the Share Issue corresponding to circa EUR 200 million.

The Board of Directors considers that the opportunity to use the proceeds from the Share Issue for the completion of the acquisitions of NaturVet and Innovet is positive for the Company's capital structure and general risk level, specifically in relation to having a good balance of different financing sources. In addition, through the Share Issue the Company is expected to reach new highly reputable institutional investors and the Board of Directors considers such strengthening of the shareholder base as positive for Swedencare. Since the Share Issue e.g. will (i) ensure that the acquisitions of NaturVet and Innovet can be completed with an optimal capital structure, (ii) provide the Company with institutional owners, (iii) be conducted in a more time efficient way and at a lower cost and with less complexity than a rights issue, the Board of Directors' overall assessment is that the reasons for carrying out the Share Issue with deviation from the shareholders' right in a clear way and with

sufficient strength outweigh the reasons that motivates the main rule that share issues are to be made with preferential rights for the shareholders. Therefore, the Board of Directors considers that a share issue with deviation from the shareholders' preferential rights is in the best interest of the Company and all shareholders.

The Company has undertaken, with customary exceptions, not to issue additional shares for a period of 180 days following the completion of the Share Issue. Shareholding board members, the CEO and the CFO have entered into a customary lock-up with the Joint Bookrunners of 90 days following the completion of the Share Issue. The sellers of NaturVet and 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

In conjunction with the Share Issue, Swedencare has engaged Pareto and SEB as Joint Bookrunners. Advokatfirman Lindahl KB has acted as legal advisor to the Swedencare and Baker McKenzie Advokatbyrå KB has acted as legal advisor to the Joint Bookrunners.

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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 17:33 CET.

About Swedencare

Swedencare, a listed company on NASDAQ First North Growth Market, specializes in pet healthcare and produces, markets and sells premium products in the global and fast-growing market. The company has a wide range of strong brands and products within most therapy areas, including Animal Pharmaceuticals®, nutravet®, NutriScience, Pet MD®, Stratford®, VetWELL® as well as

ProDen PlaqueOff® for oral health to dogs and cats. Swedencare's headquarter is in Malmö, Sweden with subsidiaries located in eight countries with products sold in approximately fifty markets. Swedencare's sales have increased significantly over the last few years with strong margins and profits.

Important information

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This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the directed Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation. In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not

relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the directed share issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Joint Bookrunners. The Joint Bookrunners are acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the directed Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

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.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company's shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "EU Target Market Assessment"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the securities in the Company has led to the conclusion that: (i) the target market for such securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such securities to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Company's securities may decline and investors could lose all or part of their investment; the Company's securities offer no guaranteed income and no capital protection; and an investment in the Company's securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company's securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Company's securities and determining appropriate distribution channels.

Attachments

[Swedencare intends to carry out a directed share issue](#)