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Swedencare AB (publ) completes directed new share issue, raising approximately SEK 222 million to partially finance the acquisition of Holden2

The board of directors of Swedencare AB (publ) ("Swedencare" or the "Company") has, in accordance with the Company's press release earlier today, resolved on a new share issue of 750,000 shares, corresponding to approximately SEK 222 million (the "Directed New Share Issue"). The subscription price in the Directed New Share Issue was set to SEK 296 per share. The Directed New Share Issue was over-subscribed with interest from Swedish and international institutional investors. The proceeds from the Directed New Share Issue will be used to partially finance the acquisition of the US e-commerce company Holden2 LLC ("Holden2") (the "Acquisition"), as announced by the Company earlier today.

The board of directors of Swedencare has, based on the authorization given by the extra general meeting on September 11, 2020, and as communicated in the Company's press release earlier today, resolved on a directed new share issue of 750,000 shares to institutional investors.

A large number of Swedish and international institutional investors participated in the Directed New Share Issue. The subscription price in the Directed New Share Issue was set to SEK 296 and has been determined through an accelerated bookbuilding procedure carried out by the Company's financial advisor Pareto Securities AB ("**Pareto Securities**"), why it is the board of directors' assessment that the subscription price is in accordance with market conditions. The subscription price in the Directed New Share Issue constitutes a premium of approximately 2.0 percent compared to the volume weighted average price on Nasdaq First North Growth Market on December 16, 2020. Through the Directed New Share Issue, Swedencare will receive approximately SEK 222 million before deduction of transaction costs.

The reason for carrying out the Directed New Share Issue and for the deviation from the shareholders' preferential rights is to secure financing in a time- and cost-effective manner for the Acquisition. For additional information on the Acquisition, see separate press release with headline "*Swedencare AB (publ) acquires US ecommerce company with focus on pet healthcare products*" that was released today. The board of directors' assessment is that the subscription price in the Directed New Share Issue was set in accordance at market conditions, since it was determined through an accelerated bookbuilding procedure.

Through the Directed New Share Issue, the number of outstanding shares and votes in the Company will increase by 750,000, from 20,134,743 to 20,884,743 and the share capital will increase by SEK 37,500, from SEK 1,006,737.15 to SEK 1,044,237.15, corresponding to a dilution of approximately 3.6 per cent of the number of shares and votes in the Company based on the number of shares and votes following the Directed New Share Issue. In total, the Directed New Share Issue and the issue of the consideration shares to the sellers in the Acquisition entail an increase of the number of shares by 199,732 and an increase of the share capital by SEK 9,986.6, to a total of 21,084,475 shares and a share capital of SEK 1,054,223.75, corresponding to a dilution of approximately 4.5 per cent of the number of shares and votes in the Company following completion of both transactions.

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 12 months after the announcement of the outcome of the Directed New Share Issue. Board members holding shares, the CEO and the CFO have undertaken not to sell any shares in Swedencare for a period of 90 calendar days after the announcement of the outcome of the Directed New Share Issue, with customary exceptions.

Advisers

Pareto Securities AB is acting as Sole Manager and Bookrunner, Advokatfirman Lindahl KB is legal adviser to the Company and Baker McKenzie Advokatbyrå KB is legal adviser to Pareto Securities in connection with the Directed New Share Issue.

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About Swedencare

Swedencare develops, produces partly in own factory, markets and sells premium products on the global and fast-growing market within animal healthcare for cats, dogs and horses. The Company has a wide range of strong brands and products within most therapy areas, which includes own vet-exclusive brands as well as ProDen PlaqueOff® as the largest for oral health to dogs and cats. Swedencare's headquarter is located in Malmö and the products are represented on approximately fifty markets in all parts of the world to veterinarians, pet shops and online through a distribution network including ten subsidiaries as well as an international distribution network. Swedencare's sales have increased significantly over the last few years with strong margins and profits.

This information is such that Swedencare AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on December 16, 2020 at 22:30 CET.

Important information

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This press release is not a prospectus for the purposes of Regulation (EG) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Swedencare has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed New 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.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document 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" (according to the definition in clause 86(7) of the Financial Services and Markets Act 2000) 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 announcement 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 shares. Any investment decision in connection with the Directed New 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 Pareto Securities. Pareto Securities is 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.

This press release does not constitute a recommendation concerning any investor's decision regarding the Directed New Share Issue. Each investor or potential investor should conduct his, her or its own investigation, 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.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company 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 nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release. 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 undertakes 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 required by law or Nasdaq First North Growth Market's 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 shares in Swedencare have been subject to a product approval process, which has determined that such shares 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 "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Swedencare may decline and investors could lose all or part of their investment; the shares in Swedencare offer no guaranteed income and no capital protection; and an investment in the shares in Swedencare 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 New Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Pareto Securities 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 (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 shares in Swedencare.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Swedencare and determining appropriate distribution channels.

Attachments

[Swedencare AB \(publ\) completes directed new share issue, raising approximately SEK 222 million to partially finance the acquisition of Holden2](#)