

# YEAREND REPORT

January-December

# 2021

## **Our vision**

is to establish ourselves as the leading company within Pet Health Care on all larger markets.



## Om Swedencare

Swedencare develops, produces, markets, and sells premium products in the global and fast-growing market for animal health care products for cats, dogs and horses. The company has an extensive portfolio with strong brands and products in most therapy areas, which includes veterinary exclusive brands and the ProDen PlaqueOff® brand for oral health for dogs and cats as the largest. Swedencare has its head office in Malmö and the company's products are currently sold in about 50 countries to veterinarians, pet stores and online via a distribution network containing subsidiaries in 9 countries and an international network of retailers. Swedencare's revenue have increased significantly over the last few years with strong margins and results.

## Vision

Swedencare is established in all major markets as an innovative and reliable pet healthcare company. With a global presence and channel strategy as well as a broad portfolio of well-functioning Pet Health Care products for the most important therapy areas, it is **our vision to establish ourselves as the leading company within Pet Health Care on all larger markets.**

## Financial objective

Swedencare's financial objective is to achieve revenues of 4 Billion SEK during 2026 with an EBITDA-margin exceeding 30%. The financial objective must be achieved primarily through organic growth.

## Dividend

Swedencare will pay a dividend that takes into consideration the Group's earnings performance and the need for consolidation, investments, liquidity, and financial position. The goal is to pay a dividend of 40 percent of profit after tax.

**For 2021, the Board proposes a dividend of 0.20 SEK (0.16 SEK) per share.\*\***



## Mission

We care about improving the health and wellbeing of pets, creating reassurance for the pet parents, worldwide and throughout life.

# A quarter characterized by good growth and preparations for 2022

## Summary of the period

### Fourth quarter: October 1<sup>st</sup> - December 31<sup>st</sup> 2021

Numbers in parentheses refer to outcomes during the corresponding period of the previous year.

- Net revenue amounted to 255.2 MSEK (100.6 MSEK), corresponding to an increase of 154%
- Operational EBITDA amounted to 48.3 MSEK (33.8 MSEK), corresponding to an increase of 43%, and an EBITDA-margin of 18.9% (33.6%). The adjustments refer to costs in connection with the acquisition of FAV of 1.4 MSEK and the non-cash flow-affected PPA adjustment\* of 2.9 MSEK
- Organic, currency-adjusted growth amounted to 10%
- Operating profit before depreciation (EBITDA) amounted to 44.1 MSEK (21.2 MSEK), corresponding to an increase of 108% and an EBITDA-margin of 17.3% (21.1%)
- Operating profit after depreciation (EBIT) amounted to 15,7 MSEK (8.5 MSEK), corresponding to an increase of 84% and an EBIT-margin of 6,1% (8.4%)
- The completed acquisition analyzes (PPA\*), impacted the gross margin with 2.9 MSEK and the depreciation with 20.6 MSEK. The total impact on the reported profit (EBIT) during Q4 2021 therefore amounts to 23.4 MSEK
- Profit after tax amounted to 19.7 MSEK (7.4 MSEK)
- Earnings per share calculated on 118 150 028 shares 0.17 SEK (0.07 SEK)\*\*
- As of December 31<sup>st</sup>, 2021, cash amounted to 136.1 MSEK (284.1 MSEK)

### Full year 2021

- Net revenue amounted to 770.4 MSEK (239.9 MSEK), an increase of 221%
- Operational EBITDA amounted to 190.2 MSEK (75.6 MSEK), an increase of 152%, and an EBITDA-margin of 24.6% (31.4%). The adjustments refer to costs in connection with acquisitions of 17.2 MSEK and the non-cash flow-affected PPA adjustment\* of 43.3 MSEK
- Organic, currency-adjusted growth amounted to 17%
- Operating profit before depreciation (EBITDA) amounted to 129.7 MSEK (60.0 MSEK), corresponding to an increase of 116% and an EBITDA-margin of 16.8% (25.0%)
- Operating profit after depreciation (EBIT) amounted to 64.6 MSEK (41.4 MSEK), corresponding to an increase of 56% and an EBIT-margin of 8.3% (17.2%)
- The completed acquisition analyzes (PPA\*) , impacted the gross margin with 43.3 MSEK and the depreciation with 53.6 MSEK. The total impact on the reported profit (EBIT) during 2021 therefore amounts to 96.9 MSEK
- Profit after tax amounted to 54.6 MSEK (33.4 MSEK)
- Earnings per share calculated on 111 951 297 shares 0.49 SEK (0.38 SEK)\*\*
- Cash flow from operating activities amounted to 125.8 MSEK (30.6 MSEK)
- Foreign exchange gains amounted to 7.8 MSEK
- The Board proposes a dividend of 0.20 SEK per share

\* Purchase Price Allocation (PPA) adjustment - In connection with the year-end work, the acquisition analyzes have been completed, which means in short that parts of the Goodwill item have been reallocated to identifiable intangible assets and inventory. The adjustment affects both the cost of goods for the acquired companies Nutravet, Pet MD Brands and Rx Vitamins (43.3 MSEK) and depreciation (53.6 MSEK). The negative impact on earnings regarding product costs, where these are reported at fair value, i.e., with a low profit margin, is of a non-recurring nature and is charged in 2021, while depreciation is made over the assets expected life. The completed acquisition analyzes do not affect cash flow. For more information, see note 2 in the Appendix.

\*\* Converted to the number of shares after the share split 5:1

## Significant events during the fourth quarter

Swedencare AB (publ) acquires Fulfillment Advantage Ventures (FAV), an American pet e-commerce logistics company on October 1<sup>st</sup>. The purchase price of a total of approximately 41.5 MSEK was paid through a cash payment of approximately 25.0 MSEK and a new issue in kind of shares of approximately 16.5 MSEK.

Swedencare AB (publ) sets new financial target. In 2026, sales will reach 4 Billion SEK with an operating profit before depreciation and amortization (EBITDA) of at least 30%.

## Significant events after the fourth quarter

Swedencare AB (publ) acquires the Italian Pet Health Care company Innovet who are focused on the veterinary segment. Closing is expected to take place on March 1<sup>st</sup>.

Swedencare AB (publ) acquires the leading American pet supplement company NaturVet, which was completed on February 1<sup>st</sup>. The purchase price of a total of approximately 4,148 MSEK was paid through a cash payment of 3,717 MSEK and a new issue in kind of shares of 431 MSEK.

Swedencare AB (publ) carries out a directed new share issue of 35.5 million shares and is thus provided with 3,550 MSEK, which, after issue costs of 16.5 MSEK, provided a net contribution of 3,533.5 MSEK to partially finance the acquisitions of NaturVet and Innovet.







PlaqueOff System  
MINI DENTAL CARBON FIBER  
EGAN  
Made with natural oil



# Words from the CEO

## Strong sales ending the year with focus on synergies and continuing marketing investments to prepare for 2022

Thanks to successful acquisitions during the year and a strong ending of our sales, this quarter exceeds the total sales of 2020!

The revenue for the fourth quarter was 255,2 MSEK, which is a 154% increase compared to Q4 2020, and our strongest quarter so far. Our operational EBITDA-result increased by 43% to 48,3 MSEK, which gives us a 18,9% margin. Due to the rapidly increasing prices for raw materials, we had anticipated lower margin this quarter, especially for Vetio, the acquisition completed this summer. Results were also affected by the planned expansion of personnel at our new production facility in Florida, which soon will commence large scale production, initiation and marketing of a number of large online projects, which will be reaching a satisfactory level of profitability already by Q1 2022 and some legal costs that are not reoccurring. With price adjustments effective of January 1st and a strong start from all subsidiaries I expect us to be back to an operational EBITDA over 25% already in our next report.

The record-breaking revenue was not self-evident, as we still experienced effects of Covid this last quarter. Some exhibitions/ customer gatherings were postponed, and some customers were a bit cautious when ordering due to the risk of possible Omicron related lock downs. Luckily restrictions were brief, and we now really feel that 2022 has started full speed ahead businesswise. Customers in Asia and South America have regained their appetite, not only placed large orders, but also showing great interest in discussing our new product lines and planning upcoming launches in 2022. Compared to Q3 we grew by 15%, a satisfactory increase considering the somewhat hesitant trend at the end of the quarter. Our product supply keeps improving, mainly due to transfers to our own production facilities. We are planning to become completely self-sufficient in the production of soft-chews before the second half of 2022. By acquiring NaturVet, which we managed successfully despite a highly competitive situation, we secured a very important piece to reach self-sufficiency.



The US Market, the world's largest, keeps dominating our business, even more so after our acquisitions since 2020. We have finished the merger of Stratford and Animal Pharm in which we have welcomed a very experienced CCO to be in charge of the veterinary business in the US. This addition is especially important in developing and making the most of all the opportunities we have within our group. Our strong market position has opened up for many new business opportunities, which we look forward to exploring. We experience great interest in our company from a business perspective, but also as an employer with many extremely qualified people contacting us. We will keep adding talent to our team, but cautiously so it's in line with our growth and profitability plans.

Our newly acquired e-commerce fulfillment company FAV has had a flying start and is already a crucial part of our strong growth online. This will be even more notable as 2022 proceeds, as we so far only had time to extend the collaboration for a number of our subsidiaries and with a limited assortment. We have moved FAV to our logistic hub outside Tampa, to increase productivity while lowering costs. This setup also allows sharing staff resources between our group companies in the area. The number of shipped products from FAV increased from 49K in Q3 to 75K in Q4 and this is only the beginning. In Q1 dropship programs with Chewy and Target+ is starting and we have also successfully launched unique so called "bundle packs" on Amazon.



# KPI's Q4 2021

Vetio faced some challenges during the quarter. We were aware that the result would be affected by significant price increases on raw material and packaging material and that Q4 would be more affected than Q3, during which the company still had access to material purchased in the first part of 2021 at significantly lower prices. From January 1st we have been able to balance these additional costs by increasing our prices resulting in improved margins already in January. Furthermore, the company faced increased personnel costs and also costs to finish our production facility in Florida, which also affected the margin negatively. Simultaneously the quarter has been very successful with the completions of development projects and securing deals with both existing and new customers. Vetio North, our pharma facility, will deliver three volume manufacturing contracts during 2022, compared to just one smaller production in 2021. The smaller production will increase during the first half year and the other two will gain full capacity during Q3, after test runs in the spring. Vetio South will start production in the new facility during Q1 and will be fully up and running by Q2 with both external and internal projects. All volume customers within the dermatology sector are projecting double digit increases for the year.

Our product line ProDen PlaqueOff® continues its strong development and we are happy to report a 10% increase in sales during the first quarter after the expiration of our patent. I have always underlined the strength of our brand, the strong clinical evidence, and the loyal customer support we have worldwide. We are also having interesting discussions with new partners about possible collaborations, which if concluded, will have a significant impact on sales for 2022. Markets with particularly positive trends during Q4 were the US, Scandinavia, Spain, Japan, Chile, and Australia. China returned with an order, and it is worth noting that during the Chinese online-super-day "double eleven" ProDen PlaqueOff® came in on a strong first place with 22% of all sales in the Pet dental category on Tmall/Taobao, the runner up Tropiclean had 13%. Never before have we taken such a large part of the sales and never with such a distance to the second runner up.

Our English group company Nutravet had a very strong year, and the quarter proceeded equally so. Worth noting is that this quarter was the strongest ever export wise and South Korea stands out especially. We also have a continuing collaboration between Nutravet, SwedencareUK and Swedencare Ireland. Together we have a strong position and can avoid many of the trade obstacles that have evolved between the EU and the UK due to Brexit.

At the turn of November/December, for the first time in two years, we finally managed to gather the board and most group companies to hold a strategical and business development meeting in Tampa, Florida. The majority of the participants met in person for the first time and all though digital meetings have merit they don't compare to meetings face-to-face when it comes to results. We spent some really productive days together and although some synergy projects had been started before, this get-together can be seen as pulling the plug. We see a noticeable difference in how the group companies now interact directly, without involvement from group management. During the meeting we were fortunate to welcome Dr. Pol and his family who shared their knowledge and experience. Gathering more than 40 people from all over the world is a significant investment which proved to be well worth while.

We can sum up 2021 as a very intense year with the numerous transformative and complementary acquisitions of Pet MD Brands, Rx Vitamins, Vetio and finally also FAV. Even though Covid has affected the business in many ways our organic growth summed up to 17%. However, I am convinced that when I write next year's "Words from the CEO" we will have delivered over 20% in organic growth. 2021 has been a year with continued strong demand and with focus on analyzing the North American market, export opportunities, business development as well as identifying and implementing synergies and taking advantage of opportunities. 2022 has started strongly proving that our solid work last year already is starting to pay off and that our organization is characterized by commitment, execution, and pride.

Net revenue

**255.2 MSEK**

Change in net revenue

**154%**

Operational EBITDA

**48.3 MSEK**

EBITDA-margin

**18.9%**

Solvency

**69.7%**

Net debt/  
Proforma  
R12 EBITDA

**2.62**


Cash

**136.1 MSEK**

Furthermore, we started this year by taking a big step towards becoming the leading Pet health company by making two fantastic new acquisitions. With Innovet, our longtime partner on the Italian veterinary market, we gain an impressive product portfolio, advanced scientific knowledge, and a strong IP portfolio, which we will develop internationally. Today Innovet has a revenue of 133 MSEK, of which 90% is from within Italy, and the company has a high profitability with an EBITDA over 30%. Innovet has a strong pipeline of new products, and we look very much forward to helping to get these launched to the international market on a larger scale. Renato della Valle, who alongside with his family, have managed Innovet successfully will remain as CEO and he is committed to further increase growth with the help of our group.

The largest acquisition in the history of Swedencare was when we acquired the US company NaturVet, an acquisitions I hardly would have dared to dream about just one year ago. NaturVet is a unique brand and the oldest as well as the strongest in Pet retail supplements in the USA. With sales of almost 600 MSEK during 2021 to over 10 000 independent pet specialty retailers as well as to four of the five largest chains, among them Petco, and with rapidly growing online-sales to, among others, chewy.com and Amazon NaturVet truly is a transformative addition for us. With this addition, besides from gaining an impressive product line, we also get an exceptional management group and a sales organization that complements ours as well as the leading soft-chew production in the US. Two lines are currently producing and during Q2 a new third line will be implemented, which will more than double the current volume capacity. Apart from all this, another important reason for us to work relentlessly to finalize this deal are the many similarities we found between our companies. Scott Garmon, who founded the company with his wife 27 years ago, shares our visions and view on what's important in building a successful business. Entrepreneurship, speed, customer focus, quality and profitable growth are examples of what I think characterizes both companies. We have already started a number of projects between our American companies and there is no doubt that NaturVet will be among the fastest growing entities in the group while also boosting our other group companies. Profitability is also at top level with an EBITDA above 30%.

Our financial goals communicated in December 2021 are inspiring but have to be seen in a new light now that we, after acquiring NaturVet and Innovet, had a proforma turnover of more than 1,6 billion SEK in 2021, a significantly higher level than when the goals were set. Nevertheless, the whole organization and I look forward to delivering high growth and a good result this year. We soon will meet customers and colleagues within the pet sector at Global Pet Expo in Orlando at the end of March. Among other things, we will be launching a new product line within the ProDen PlaqueOff® family, a brand-new line from NaturVet targeting Millennials and Dr. Pol will be present at the expo to make his first big product launch. The market knows we have great ambitions, and we look forward to keeping on working in the same spirit!



**Håkan Lagerberg, CEO**  
Malmö February 17<sup>th</sup>, 2022

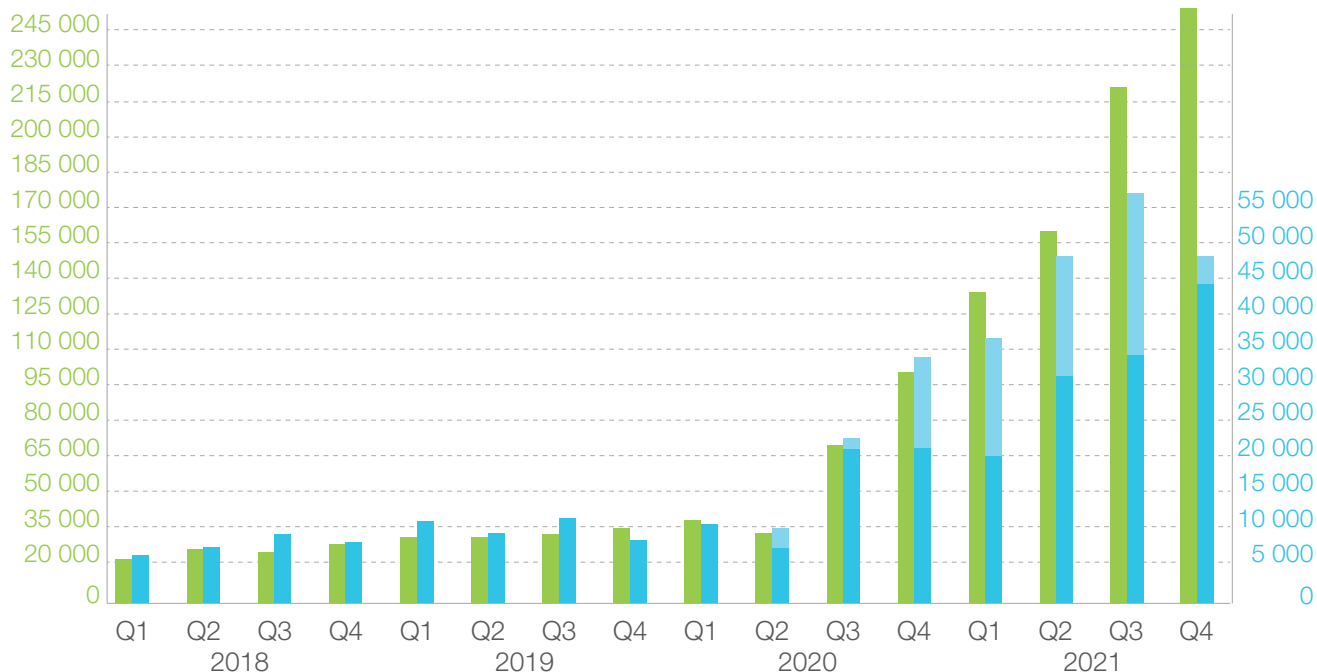
## Swedencare Proforma revenue 2021



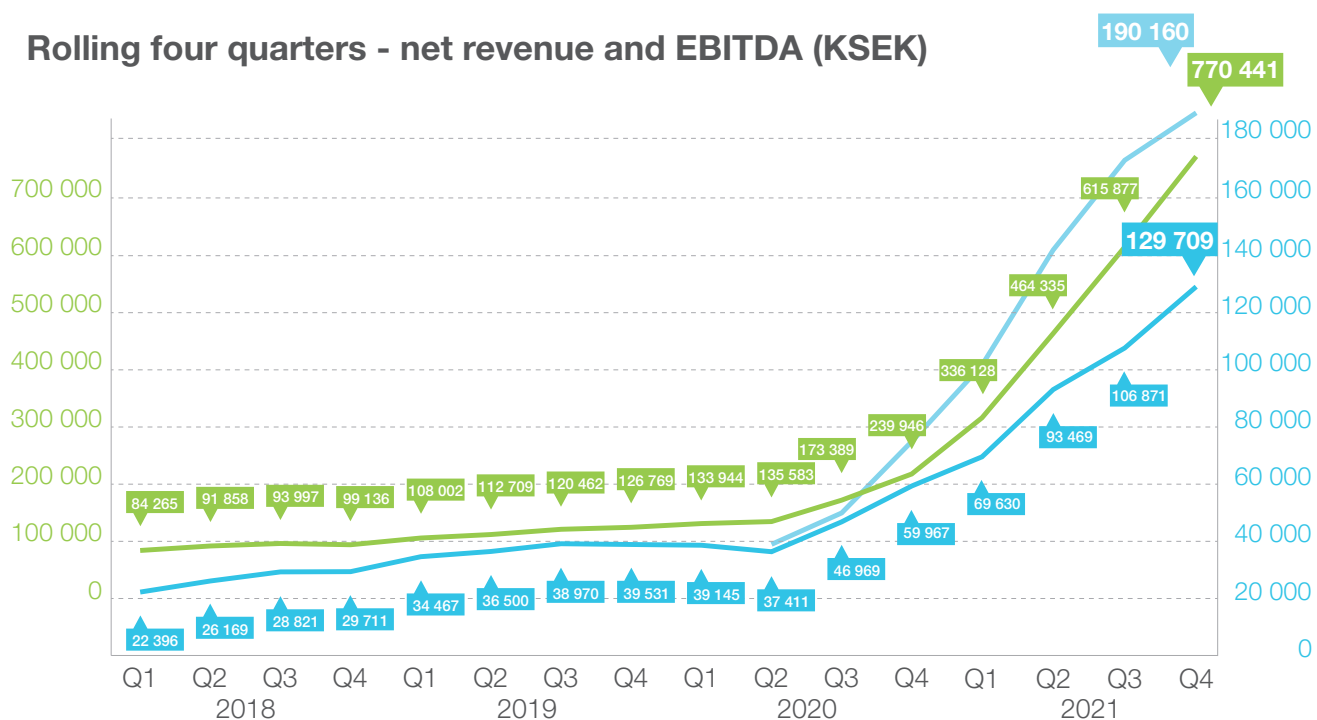


# Development 2018 - 2021

## Quarterly history of net revenue and EBITDA (KSEK)



## Rolling four quarters - net revenue and EBITDA (KSEK)



■ Net revenue     
 ■ EBITDA     
 ■ Operational EBITDA

Additional KPI's and definitions can be found on page 24.

# Comments on the financial development Q4 2021

Numbers in parentheses refers to outcomes during the corresponding period of the previous year.

## Net revenue

Net revenue in the last quarter amounted to 255.2 MSEK. This is 6% above the reported revenue for the full year 2020 and corresponds to a growth of 154% compared with the corresponding period last year. Growth is divided into 10% organic growth, 145% acquired growth and -1% currency impact. Pet MD Brands and Rx Vitamins, which both were acquired in 2021 and therefore not included in the organic growth, both showed good growth of 13% and 21% respectively during the quarter. Vetio South was negatively affected by the expected price adjustment and the move into a new production facility, which resulted in negative growth of -12% for the quarter.

During the fourth quarter, the Group had a growth of 15% compared with the third quarter, of which FAV our only new addition, accounted for 4 percentage points of these.

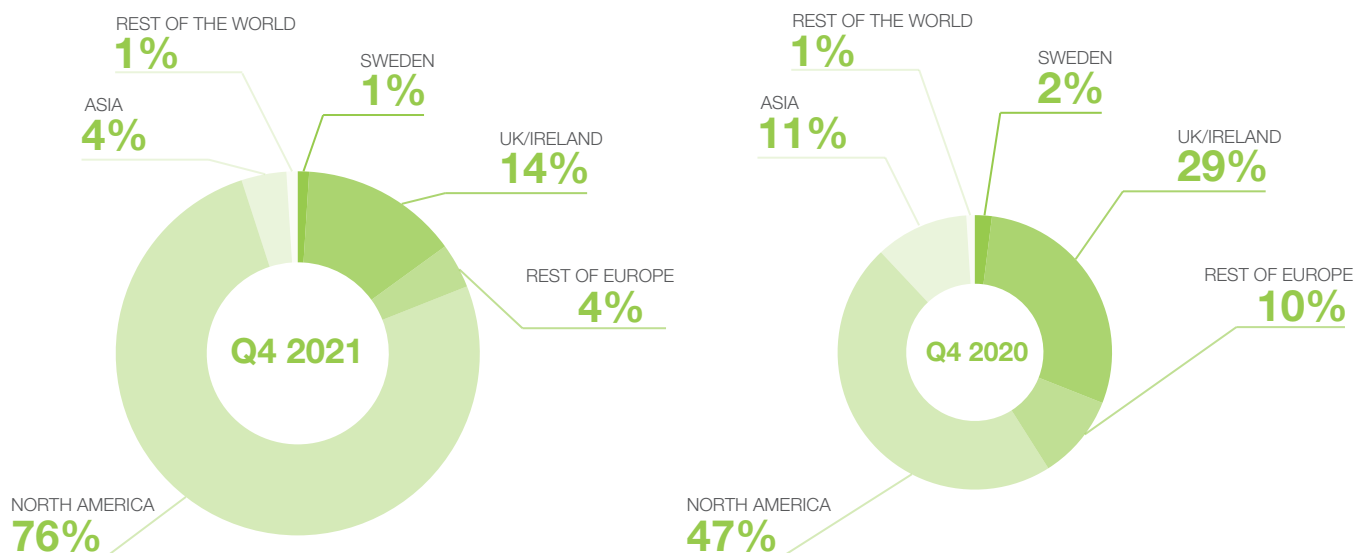
Sales at the end of the year were positively affected by a higher proportion of available products and the launch of more products on the major online platforms and brands in new markets. Several projects were test-launched during the quarter, for example the sale of Dr. Pol's products and production of tablets in Vetio's new factory, however, these have a limited impact on sales during the quarter.

The patent for ProDen PlaqueOff® expired, as previously announced, at the end of Q3 2021 and we are pleased to see the strength of the brand which now, without a patent, showed a growth of 10% during the quarter. This is even though the comparative figures for Q4 2020 included significant launch orders for Korea and Japan of Dental Bones and affected by some delayed deliveries in Q4 2021 which was pushed into Q1 2022.

## Geographical distribution

During the quarter, all geographic markets showed growth. The North American market, after six acquisitions since June 2020, accounted for 76% of the Group's total net revenue in Q4 2021, an increase of 29 percentage points compared to the closing quarter of 2020. During the quarter, Nutravet launched in South Korea, which contributed to a record in international sales rating. Acquired companies increased export opportunities through Swedencare's extensive global sales network, is a clear and rapid synergy that most new companies experience.

In Q4 2021 and Q4 2020 the geographic sales were distributed according to the graphics.





## Product and brand distribution

The ProDen PlaqueOff® product group increased by a total of 10% during the quarter, despite high comparative figures for Dental Bones. During the quarter, online sales of several products within the brand continued to increase and in addition, new variants of the product group were launched at acquired companies. The latest product in the segment, Mini Dental Bones, which was launched in 2020, shows a tripling of sales compared to the corresponding period last year and accounts for 9% of total sales in the ProDen PlaqueOff® category.

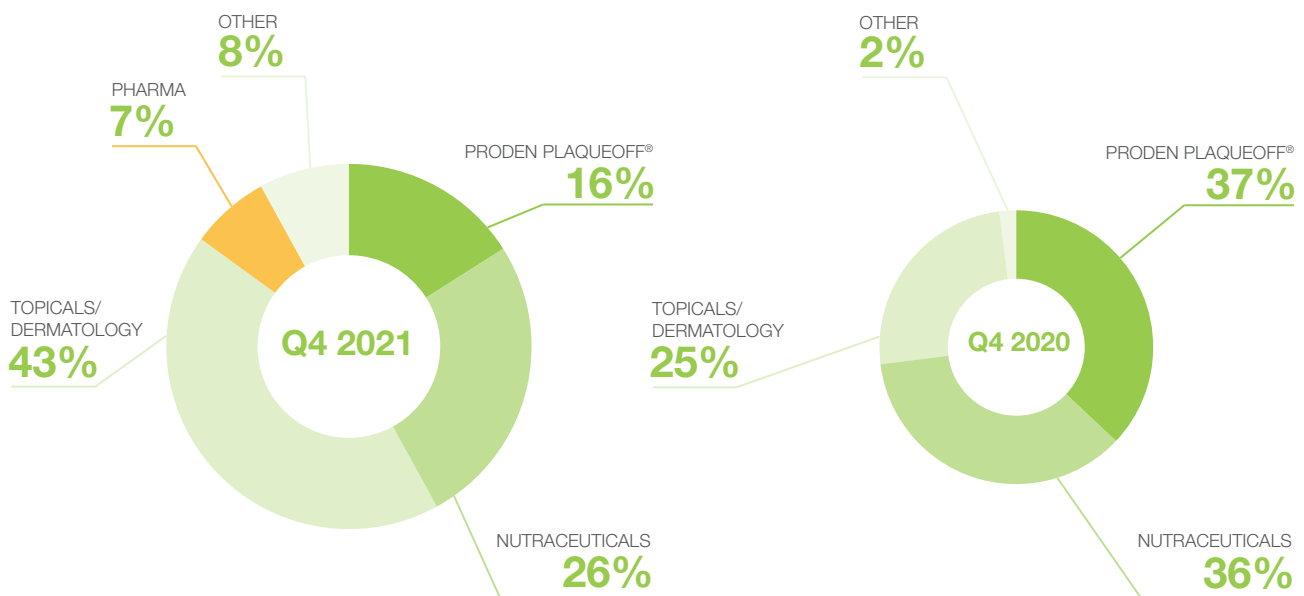
Vetio, which is a part of the Group from July 1<sup>st</sup>, 2021, represents the Pharma category, which accounted for 7% of total sales while contributing to the growth in Topicals/Dermatology as the company produces dermatology products for both external and internal sales.

The category Other has increased as Pet MD Brands, Rx Vitamins and FAV also sell human products and treats which are part of this product group.

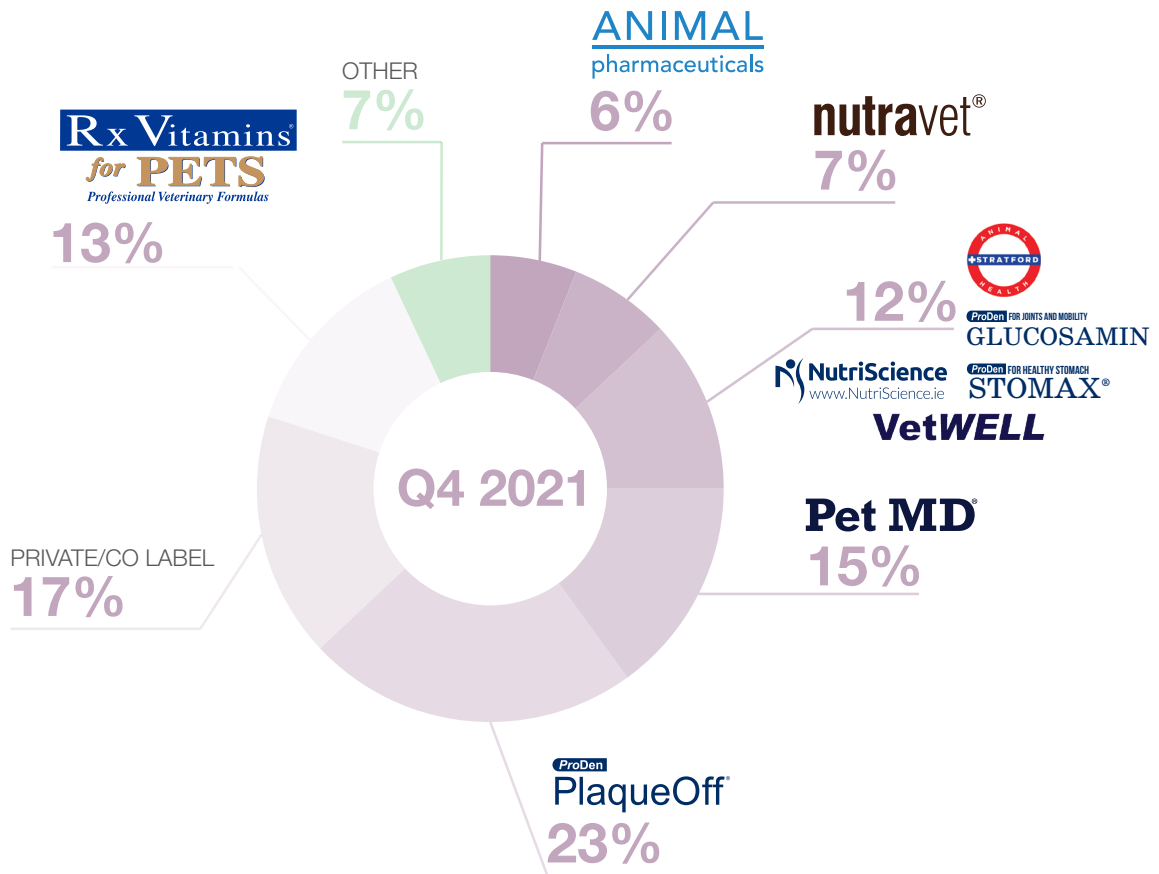
Several of the acquired companies sell products in the Nutraceuticals category, which has contributed to the product group doubling its sales, but as total sales are strongly affected by the growth in Topicals/Dermatology, the share decreased to 26%.

As previously communicated, we continue to invest in our own production facilities and to move parts of the external production to our own facilities, in other words we will be more self-sufficient in terms of production, and this will strengthen margins going forward.

In Q4 2021 and Q4 2020 sales per product group were distributed according to the graphics.



In Q4 2021, sales\*, excluding Vetio, were distributed per brand according to the graphic.



\*Does not include contract manufacturing



## Profit

During the quarter, the acquisition analyzes were completed, which impacted the quarter partly with a non-cash flow-affecting adjustment for sales of acquired inventories of 2.9 MSEK, where product costs are reported at fair value, i.e., at a low profit margin. Costs in connection with the acquisition of FAV amounted to 1.4 MSEK. Operational EBITDA, adjusted for these costs, amounted to 48.3 MSEK, corresponding to a margin of 18.9%.

The gross margin, adjusted for the above-mentioned PPA adjustment, during the period amounted to 52.0% (63.0%). The Group's gross margin was affected by a lower margin in the acquired companies, Pet MD Brands and Vetio, as expected. The gross margin has also, like most producing companies, been negatively affected since a few quarters by increased raw material prices, mainly in dermatology. Our price adjustments did not take effect until the end of the quarter and will have full effect during the current quarter as most of our price increases apply from January 1<sup>st</sup>, 2022, we therefore expect a positive development of the gross margin in 2022.

External costs during the quarter consist of 47% of market investments, as a higher proportion of the year's market costs via Amazon are invested in the last quarter of the year. The profit from these market initiatives is expected to yield results from Q1 2022. The workforce has also been increased, and thus the costs for this, which is a necessary investment to meet the growing demand and to deliver on our goal. The result has also been charged with costs for Swedencare's global business development meeting in December, extraordinary legal costs and advisory costs regarding proposals for stockoption program and organizational changes of a total of 4.4 MSEK.

During the quarter, earnings were charged with costs related to production preparation and recruitment of new personnel to the new plant in Jupiter, Florida. Changes and expansion of the organization in Vetio North, Canada, have impacted the profit with costs in connection with recruitment. The expansion costs are expected to lead to future margin reinforcements through synergy effects and scalability in the business.

The increased depreciation, which during the quarter amounted to 28.9 MSEK, is mainly attributable to the completed acquisition analyzes where parts of the surplus value of the acquisitions have been reallocated to fixed-term intangible assets. Of the total depreciation, 21.2 MSEK is attributable to the amortization of the intangible assets. Of the total depreciation of tangible assets of 7.7 MSEK, 3.9 MSEK is attributable to IFRS16.

Exchange rate fluctuations affected EBIT during Q4 with an exchange rate gain of 0.5 MSEK. During the quarter, interest expenses for loans, raised in connection with the acquisitions amounted to 2.0 MSEK.

Profit after tax during the fourth quarter of 2021 amounted to 19.7 MSEK (7.4 MSEK), corresponding to a profit margin of 7.7% (7.3%). Earnings per share during the fourth quarter of 2021 amounted to 0.17 SEK (0.07 SEK) calculated on the weighted average number of shares in each period. In May 2021, a share split was carried out in which an existing share was divided into 5 shares of the same share class (share split 5:1).

	Q4	2021
<b>EBITDA</b>	<b>44 081</b>	<b>129 708</b>
Acquisition costs	1 388	17 241
Revaluation of acquisition stock to fair value	2 876	43 295
<b>Operational EBITDA</b>	<b>48 345</b>	<b>190 245</b>



# Comments on the financial development full year 2021

Numbers in parentheses refers to outcomes during the corresponding period of the previous year.

## Net revenue

Net revenue for 2021 amounted to 770.4 MSEK, which corresponds to an increase of 221% compared with 2020. Growth is divided into organic growth 17%, acquired growth 208% and currency impact -4%. The companies acquired in 2021, which are therefore not included in the organic growth, all showed good growth, Pet MD Brands (11%) and Rx Vitamins (20%), Vetio South (9%) and Vetio North (45%). Nutravet, where only growth in the fourth quarter is included in organic growth, had growth of 36% for the full year 2021, and Stratford, which only growth in H2 is included in organic growth, had growth of 14%.

We are pleased to report that all markets and product groups had good growth during the year. North America, after four acquisitions since Q4 2020, represents 71% of the Group's sales compared with 45% the previous year. The product groups Nutraceuticals and Topicals/Dermatology are affected in the same way, and together represent 69%, compared with 43% the previous year. The Pharma category, which is new since the acquisition of Vetio, corresponds to 4% of the Group's total sales. The ProDen PlaqueOff® product group has had a growth of 20% and represents 20% of the Group's sales in 2021 compared with 54% in 2020.

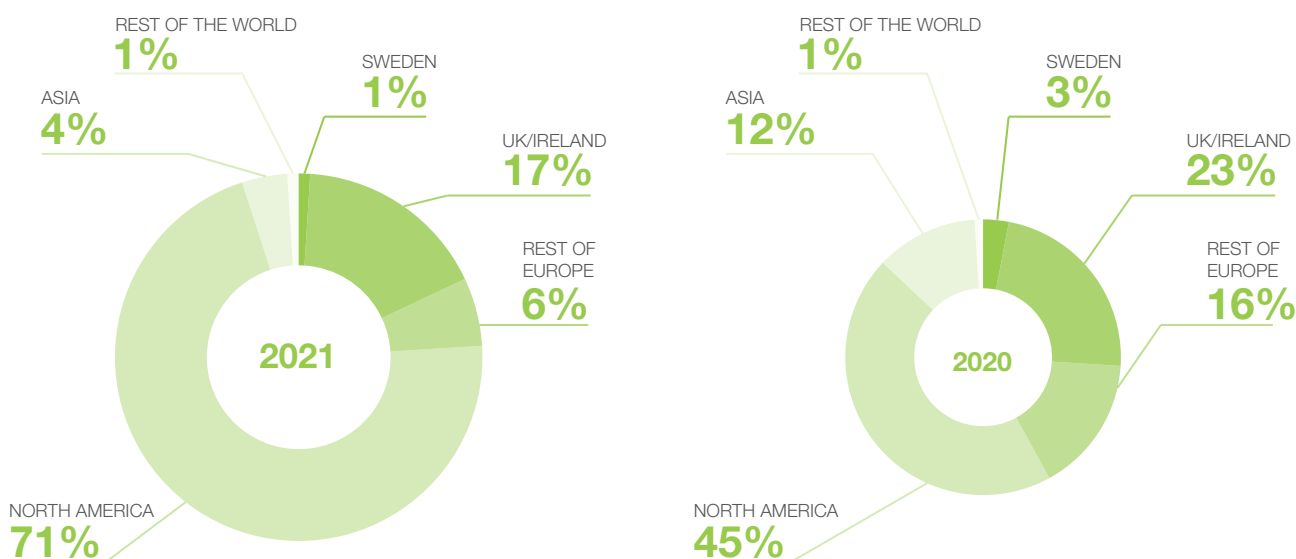
During 2021, including proforma for acquired companies, the Group's net revenue was 947 MSEK. Including the acquisitions of NaturVet and Innovet, the Group's proforma net revenue was 1,632 MSEK in 2021.

## Geographic distribution

After four acquisitions in North America, this market represents 71% of the Group's total sales compared to 45% in 2020. The increase from the previous year is mainly due to Vetio, but also to Pet MD Brands, Rx Vitamins and FAV, who have most of their sales in this market.

Despite no sales in Q3, China had a growth of 10% in 2021 compared to 2020. Asia had a growth of 18% during the year due to Rx Vitamins having sales in this market and the launch of Nutravet in South Korea, which contributed to an international sales record for Nutravet during the quarter. Rest of the World has doubled sales in 2021 compared to 2020.

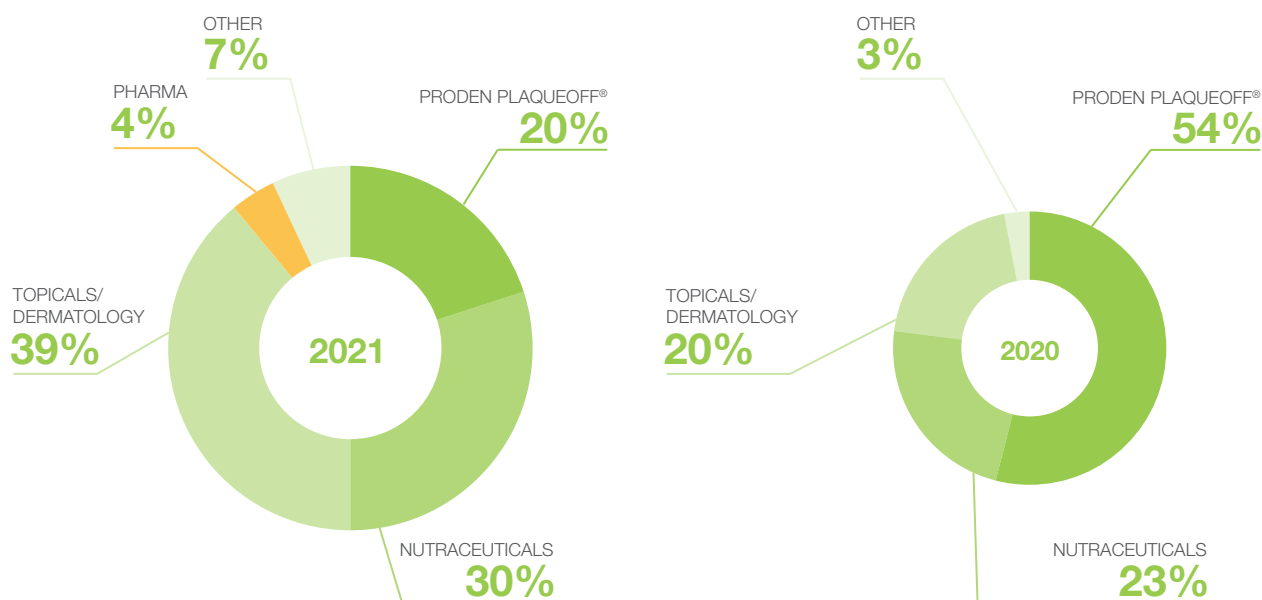
During 2021 and 2020, the geographical sales were distributed according to the graphics.



## Product distribution

Pharma, a new category after the acquisition of Vetio, which only includes sales from July 1<sup>st</sup>, corresponds to 4% of the Group's total sales. The other product groups are affected by the acquisitions, which have contributed with a wide range of products in new therapy areas and thereby created a more even distribution between ProDen PlaqueOff®, Nutraceuticals and Topicals/Dermatology with 20%, 30% and 39% of total revenues for 2021.

During 2021 and 2020 sales per product group were distributed according to the graphics.



## Profit

Operational EBITDA in 2021 amounted to 190.2 MSEK (75.6 MSEK), corresponding to a margin of 24.6% (31.4%). Operational EBIT in 2021 amounted to 125.1 MSEK (57.0 MSEK), corresponding to a margin of 16.2% (23.7%).

The increased depreciation during the year is mainly attributable to the PPA adjustment described above, where parts of the surplus value of the acquisitions are reallocated from goodwill to fixed-term intangible assets. Of the total depreciation of 72.8 MSEK, 18.2 MSEK is depreciation on tangible assets, of which 10.3 MSEK is attributable to IFRS16. The remaining 54.6 MSEK is amortization of intangible assets. The amortization rate on intangible assets at the turn of the year 2021/2022 corresponds to 22.2 MSEK per quarter. Write-offs on tangible assets amounted to 0.1 MSEK.



## Cash flow

Cash flow from operating activities after changes in working capital amounted to 36,8 MSEK (10,2 MSEK) during the fourth quarter 2021.

Items not affecting cash flow for the full year 2021 include an adjustment of cost of goods of 43.3 MSEK for the acquired companies Nutravet, Pet MD Brands and Rx Vitamins as cost of goods is reported at fair value compared with previous purchase value. Despite an increase in sales of rolling 12 months, there is no further tied-up capital in working capital during the quarter.

During the fourth quarter of 2021, cash flow amounted to -4.2 MSEK (-124.6 MSEK). During the quarter, the cash part of the purchase price for FAV of a total of 25 MSEK was paid. Investments in tangible and intangible assets during the quarter amounted to 12.5 MSEK, which mainly relates to investments in the new production facility in Florida.

During Q1 2022, the acquisition of NaturVet was completed. The purchase price of 4,148 MSEK was mainly financed through a new issue in kind of shares amounting to 431 MSEK and a directed new issue of 3,550 MSEK, which after issue costs of 16.5 MSEK, gave a net contribution of 3,533.5 MSEK. In connection with the acquisition, a Revolving credit facility (RCF) of 800 MSEK has been established where 183.5 MSEK was used in the financing of the NaturVet acquisition.

## Financial position

Swedencare's equity as of December 31<sup>st</sup>, 2021, amounted to 2,419.8 MSEK (918.4 MSEK), of which 1.2 MSEK (1.1 MSEK) was restricted equity. The increase is mainly explained by the directed new issues of a total of 1,150 MSEK made in 2021.

Swedencare's cash and cash equivalents as of December 31<sup>st</sup>, 2021, amounted to 136.1 MSEK (284.1 MSEK), as of the same date the Group had interest-bearing long-term and short-term liabilities totaling 721.5 MSEK (178.7 MSEK). As of December 31<sup>st</sup>, 2021, Swedencare had a net debt amounting to 585.5 MSEK (-105.4 MSEK).

On February 1<sup>st</sup>, 2022, Swedencare paid the cash purchase price for the acquisition of NaturVet of approximately 3,717 MSEK. Acquisition costs for NaturVet are expected to amount to approximately 7.8 MSEK.

## Personnel

On December 31<sup>st</sup>, 2021, Swedencare had a total of 280 employees distributed as following: in Sweden (10), England (19), France (2), USA (222), Ireland (15), Spain (1) and Greece (11). The net increase of 8 employees compared to the previous quarter is mainly due to the acquisition of FAV with 11 employees. The gender distribution is 47% men and 53% women. As of December 31<sup>st</sup>, 2020, Swedencare had a total of 85 employees. The increase in the number of employees is mainly due to the acquisition of Pet MD Brands (18 employees), Rx Vitamins (9 employees), Vetio (144 employees) and FAV (11 employees).



# Stock

	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018
Number of shares* at the end of the period	118 150 028	104 423 715	79 009 900	78 853 110
Share price* at the end of the period	153.9	65.0	18.5	9.2

\*Converted to the number of shares after the share split 5:1

**Shareholders** (the table summarizes Swedencare's ownership structure as of December 31<sup>st</sup>, 2021).

	Number of shares	Ownership
Håkan Svanberg & Co Health Care AB	23 007 275	19.5%
Symrise AG	15 204 961	12.9%
JCC Group Invest Sweden AB ( <i>Johan Bergdahl through company</i> )	7 526 755	6.4%
Mastan AB ( <i>Håkan Lagerberg through company</i> )	5 551 810	4.7%
AMF Aktiefond Småbolag	4 797 500	4.1%
DNCA Investments	4 216 700	3.6%
Handelsbanken Fonder	3 877 026	3.3%
SEB Fonder	2 901 775	2.5%
Swedbank Robur Fonder	2 335 007	2.0%
Aktia Asset Management	1 955 640	1.7%
Matthew Shaw - MD Nutravet	1 935 897	1.6%
Joh. Berenberg, Gossler & Co. KG Act oBo Universal Inv. Funds	1 661 864	1.4%
Grandeur Peak Global Advisors, LLC	1 518 063	1.3%
Martin Shimko - MD Swedencare USA	1 400 000	1.2%
ODIN Fonder	1 400 000	1.2%
Enter Fonder	1 263 550	1.1%
Nordnet Pensionsförsäkring	1 256 678	1.1%
Consensus Asset Management	1 197 000	1.0%
Other	35 142 527	29.74%
<b>Total</b>	<b>118 150 028</b>	<b>100.00%</b>
Free Float*	76 702 466	64.92%

Holdings include related parties

\*Shares not owned by board members, management, their close related parties, shareholders with more than 10% or which are part of a lockup agreement.

# Swedencare global sales meeting

In November, Swedencare held its first Global Sales Meeting in Tampa, Florida, where some of us were finally able to meet in person after a long period of travel restrictions. Do we need to mention that it was a success?!

The week was filled with fun team-building activities, inspiring presentations and discussions between the companies, the inauguration and celebration of Vetio Animal Health's new facility in Jupiter, and much more. Everyone left with lots of energy and ideas for the coming year. As a bonus, we also got to meet The incredible Dr. Pol, when he made a much-appreciated guest appearance and shared his incredible and entertaining stories from a long career as a veterinarian.



Team-building activity



From left: Brian Nugent, CEO StratfordCare, The Incredible Dr. Pol and Håkan Lagerberg, CEO Swedencare





Inauguration ceremony for new premises in Jupiter, Florida



Visits and tours of StratfordCare's offices and premises



Tour of Vetio's new facility



# Financial overview

## Consolidated profit and loss (KSEK)

	Oct-Dec 2021	Oct-Dec 2020**	Jan-Dec 2021**	Jan-Dec 2020**
Net revenue	255 204	100 640	770 441	239 946
Other revenue	331	131	2 767	349
<b>Total revenue</b>	<b>255 535</b>	<b>100 771</b>	<b>773 208</b>	<b>240 295</b>
Cost of sales	-125 390	-47 651	-384 569	-92 936
<b>Gross margin</b>	<b>130 145</b>	<b>53 120</b>	<b>388 639</b>	<b>147 359</b>
Other external costs	-47 714	-17 008	-149 846	-43 623
Personnel costs	-38 350	-14 869	-109 085	-43 769
<b>EBITDA</b>	<b>44 081</b>	<b>21 243</b>	<b>129 708</b>	<b>59 967</b>
Depreciation and amortization	-28 923	-8 303	-72 942	-13 461
Other costs*	504	-4 435	7 789	-5 091
<b>EBIT</b>	<b>15 662</b>	<b>8 505</b>	<b>64 555</b>	<b>41 415</b>
Financial costs	-2 522	-1 140	-7 654	-1 696
<b>Result after financial costs</b>	<b>13 140</b>	<b>7 365</b>	<b>56 901</b>	<b>39 719</b>
<b>Net income before tax</b>	<b>13 140</b>	<b>7 365</b>	<b>56 901</b>	<b>39 719</b>
Tax on profit	1 307	-3 750	-23 465	-10 139
Deferred tax	5 230	3 774	21 186	3 774
<b>Net income</b>	<b>19 677</b>	<b>7 389</b>	<b>54 622</b>	<b>33 354</b>
<b>Earnings per share (SEK)</b>	<b>0,17</b>	<b>0,07</b>	<b>0,49</b>	<b>0,38</b>

## Consolidated statement of comprehensive income

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net income	19 677	7 389	54 622	33 354
Exchange difference foreign subs.	81 864	-48 673	186 857	-51 964
<b>Total profit</b>	<b>101 541</b>	<b>-41 284</b>	<b>241 479</b>	<b>-18 610</b>

\* Includes exchange rate changes attributable to the business

\*\* Previous periods have been adjusted with regard to completed acquisition analyzes, see Note 2 in the Appendix

## Consolidated balance sheet (KSEK)

ASSETS	31 Dec 2021	31 Dec 2020**
<b>Non-current assets</b>		
Goodwill	1 302 843	438 935
Other intangible assets	1 464 390	268 828
Buildings and land*	171 810	29 841
Machinery and other tech assets*	63 998	5 212
Tools, furniture, and fixtures	11 489	6 019
Other financial assets	273	60
Deferred tax asset	4 580	1 541
<b>Total non-current assets</b>	<b>3 019 383</b>	<b>750 436</b>
<b>Current assets</b>		
Inventory	158 299	75 379
Accounts receivable	110 271	49 061
Tax receivables	6 521	-
Other receivable	8 555	1 419
Prepaid costs and deferred revenue	32 004	3 662
Cash	136 086	284 081
<b>Total current assets</b>	<b>451 736</b>	<b>413 602</b>
<b>TOTAL ASSETS</b>	<b>3 471 119</b>	<b>1 164 038</b>

## Consolidated balance sheet (KSEK) cont.

	31 dec 2021	31 dec 2020**
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1 182	1 044
Reserve fund	22	22
Other equity incl. full year profit	2 418 596	917 285
<b>Total equity</b>	<b>2 419 800</b>	<b>918 351</b>
<b>Long-term liabilities</b>		
Debt to credit institutions	616 970	117 500
Other long-term liabilities	86 749	21 432
Deferred tax liability	232 818	28 155
<b>Short-term liabilities</b>		
Debt to credit institutions	-	35 500
Accounts payable	36 262	18 991
Tax liabilities	14 100	6 457
Other interest-bearing liabilities	17 814	4 276
Other current liabilities	10 231	6 851
Deferred costs and prepaid income	36 375	6 525
<b>Total liabilities</b>	<b>1 051 319</b>	<b>245 687</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 471 119</b>	<b>1 164 038</b>

\* Rights of use according to IFRS as of December 31<sup>st</sup>, 2021:

Part of Buildings and land: 97,329 KSEK (22,032 KSEK as of December 31<sup>st</sup>, 2020)

Part of Machinery and other technical facilities: 6,428 KSEK (3,627 KSEK as of December 31<sup>st</sup>, 2020)

\*\* Previous periods have been adjusted with regard to completed acquisition analyzes, see Note 2 in the Appendix



## Consolidated cash flow statement (KSEK)

	Oct-Dec 2021	Oct-Dec 2020**	Jan-Dec 2021**	Jan-Dec 2020**
Operating income after financial costs	13 140	7 365	56 901	39 719
Depreciation	28 923	8 303	72 942	13 461
Paid tax	-5 060	-2 378	-20 423	-8 592
Non-cash flow items	-667	10 335	37 603	10 335
Change in working capital	468	-13 474	-21 177	-24 327
<b>Cash flow from operating activities</b>	<b>36 804</b>	<b>10 151</b>	<b>125 846</b>	<b>30 596</b>
<i>Investment activities excl. leasing</i>				
Acquisitions	-24 997	-460 916	-1 840 963	-618 679
Purchase of intangible assets	-847	-	-2 194	-43
Purchases of Buildings and land	-393	-	-10 064	-80
Purchases of Machinery and other tech assets	-9 735	-	-13 048	-167
Purchases of tools, furniture and fixtures	-1 483	-337	-2 476	-687
<b>Cash flow from investments</b>	<b>-651</b>	<b>-451 102</b>	<b>-1 742 899</b>	<b>-589 060</b>
<i>Financial activities</i>				
New share issue	-	219 028	1 149 307	682 618
Paid dividend	-	-	-16 944	-11 061
Loan	-	115 000	478 000	165 000
Amortization on interest-bearing loan	-	-8 875	-13 000	-12 000
Amortization on lease	-3 598	1 369	-9 514	2 847
<b>Cash flow for the period</b>	<b>-4 249</b>	<b>-124 580</b>	<b>-155 050</b>	<b>238 344</b>
Cash balance at beginning of period	138 070	408 661	284 081	45 737
Exchange difference in cash	2 265	-	7 055	-
<b>Cash balance at end of period</b>	<b>136 086</b>	<b>284 081</b>	<b>136 086</b>	<b>284 081</b>

## Consolidated change of equity (KSEK)

	Oct-Dec 2021	Oct-Dec 2020**	Jan-Dec 2021**	Jan-Dec 2020**
Beginning balance	2 301 961	606 533	918 351	131 328
New share issue	16 298	353 102	1 276 914	816 694
Paid dividend	-	-	-16 944	-11 061
Total profit	101 541	-41 284	241 479	-18 610
<b>Ending balance</b>	<b>2 419 800</b>	<b>918 351</b>	<b>2 419 800</b>	<b>918 351</b>

\*\* Previous periods have been adjusted with regard to completed acquisition analyzes, see Note 2 in the Appendix

## Consolidated KPI's (KSEK)

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net Revenue	255 204	100 640	770 441	239 946
Total Revenue	255 535	100 771	773 208	240 295
EBIT	15 662	8 505	64 555	41 415
Net Income	19 677	7 389	54 622	33 354
Balance Sheet Total	3 471 119	1 164 038	3 471 119	1 164 038
Equity	2 419 800	918 351	2 419 800	918 351
Change of Revenue (%)	153,6%	195,6%	221,8%	89,4%
Gross Margin (%)	50,9%	52,7%	50,3%	61,3%
Operational Gross Margin (%)	52,0%	63,0%	55,9%	65,6%
EBIT-margin (%)	6,1%	8,4%	8,3%	17,2%
Operational EBITDA-margin (%)	18,9%	33,6%	24,6%	31,4%
Net Income margin (%)	7,7%	7,3%	7,1%	13,9%
Solvency (%)	69,7%	78,9%	69,7%	78,9%
Interest-bearing net debt	585 447	-105 373	585 447	-105 373
Cash	136 086	284 081	136 086	284 081
Outstanding Shares* at period close	118 150 028	104 423 715	118 150 028	104 423 715
Average outstanding shares*	118 150 028	101 325 890	111 951 297	86 791 515
Earnings per share (SEK)	0,17	0,07	0,49	0,38
Equity per share (SEK)	20,48	8,79	20,48	8,79

\*Converted to the number of shares after the share split 5:1

## Definition of KPI's

### Net revenue

The main revenue of the Company

### Change of revenue (%)

Total revenue in relation to the previous corresponding period

### Gross profit

Sales revenue minus costs for raw materials and components

### Operational Gross Margin (%)

Gross profit adjusted for PPA adjustment as a percentage of total revenue

### Gross Margin (%)

Gross profit as a percentage of total revenue

### Operational EBITDA-margin (%)

Operating profit before depreciation and other operating expenses adjusted for acquisition costs and PPA adjustment as a percentage of total revenue

### EBITDA

Operating profit before depreciation and other operating expenses

### EBIT

Operating profit

### EBIT-margin (%)

Operating profit as a percentage of total revenue

### Net income margin (%)

Profit after tax as a percentage of total 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

Net income for the period in relation to the average number of shares during the period. There is no dilution effect

### Equity per share

Equity in relation to the number of shares at the end of the period

## Parent company profit and loss (KSEK)

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net revenue	13 193	17 999	49 424	51 769
Other revenue	2 844	679	3 332	2 382
<b>Total revenue</b>	<b>16 037</b>	<b>18 678</b>	<b>52 756</b>	<b>54 151</b>
Cost of sales	-3 294	-5 087	-12 922	-14 991
<b>Gross margin</b>	<b>12 743</b>	<b>13 591</b>	<b>39 834</b>	<b>39 160</b>
Other external costs	-5 196	-2 626	-15 690	-13 772
Personnel costs	-3 697	-2 554	-14 145	-9 383
<b>EBITDA</b>	<b>3 850</b>	<b>8 411</b>	<b>9 999</b>	<b>16 005</b>
Depreciation and amortization	-233	-500	-750	-513
Other costs*	434	-4 234	7 611	-4 376
<b>EBIT</b>	<b>4 051</b>	<b>3 677</b>	<b>16 860</b>	<b>11 116</b>
Financial costs	11 200	10 369	61 146	10 003
<b>Result after financial costs</b>	<b>15 251</b>	<b>14 046</b>	<b>78 006</b>	<b>21 119</b>
<b>Net income before tax</b>	<b>15 251</b>	<b>14 046</b>	<b>78 006</b>	<b>21 119</b>
Tax on profit	-583	1 482	-2 481	-149
<b>Net income</b>	<b>14 668</b>	<b>15 528</b>	<b>75 525</b>	<b>20 970</b>

\* Includes exchange rate changes attributable to the business



## Parent company balance sheet (KSEK)

	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>		
<b>Fixed assets</b>		
Other intangible assets	3 523	2 307
Tools, furniture and fixtures	103	37
Shares in subsidiaries	2 817 938	826 615
<b>Total non current assets</b>	<b>2 821 564</b>	<b>828 959</b>
<b>Current assets</b>		
Current assets	2 209	1 769
Accounts receivable	5 105	9 729
Tax claims	77	2 555
Intercompany receivables	21 751	15 267
Other receivable	1 373	788
Prepaid costs and deferred revenue	4 061	1 230
Cash and bank balances	34 260	230 047
<b>Total current assets</b>	<b>68 836</b>	<b>261 385</b>
<b>TOTAL ASSETS</b>	<b>2 890 400</b>	<b>1 090 344</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1 182	1 044
Reserves	22	22
Retained earnings incl. NI	2 262 751	927 395
<b>Total equity</b>	<b>2 263 955</b>	<b>928 461</b>
<b>Long term liabilities</b>		
Debt to credit institutions	616 970	117 500
<b>Short term liabilities</b>		
Debt to credit institutions	-	35 500
Accounts payable	2 985	5 641
Intercompany payables	498	-
Other liabilities	952	449
Deferred costs and prepaid income	5 040	2 793
<b>Total liabilities</b>	<b>626 445</b>	<b>161 883</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 890 400</b>	<b>1 090 344</b>

# Revenue breakdown

Group (KSEK)	Jan-Dec 2021	Jan-Dec 2020	Change %
<i>Product areas</i>			
ProDen PlaqueOff®	154 642	129 404	20%
Nutraceuticals	233 733	55 563	321%
Topicals/Dermatology	298 878	47 431	530%
Pharma	33 100	-	-
Other	50 088	7 548	564%
<b>Total</b>	<b>770 441</b>	<b>239 946</b>	<b>221%</b>
<i>Time of revenue recognition</i>			
The performance commitment is met over time	132 535	-	-
The performance commitment is met at a certain time	637 906	239 946	166%
<b>Total</b>	<b>770 441</b>	<b>239 946</b>	<b>221%</b>
<i>Geographic market</i>			
Sweden	8 000	6 524	23%
UK/Ireland	132 068	55 836	137%
Rest of Europe	46 866	38 436	22%
North America	544 041	107 789	405%
Asia	33 070	28 090	18%
Rest of the World	6 396	3 271	96%
<b>Total</b>	<b>770 441</b>	<b>239 946</b>	<b>221%</b>

# Appendix

Note 1 Acquisitions

Note 2 Adjustments and completed  
acquisition analyzes



# Note 1 Acquisitions

## Acquisitions completed during the period

### Pet MD Brands (previously Holden2)

#### – Acquisition of an American e-commerce company focusing on Pet Health Care products

The agreement was signed on December 16th and on January 1st, 2021, 100% of Pet MD Brands was acquired. The purchase price of a total of approximately 175 MSEK is paid through a cash payment of approximately 122 MSEK and a new issue in kind of shares of a total of 199,732 shares (corresponding to 998,660 shares after share split 5:1) in Swedencare, corresponding to approximately 53 MSEK. Through the acquisition, Swedencare will have strong online-only brands, Pet MD® and VetWELL®, a leading e-commerce team with, among other things, unique Amazon knowledge and a business with both strong growth and high profitability. Pet MD Brands, which was founded by Edward Holden in 2011, is completely focused on offering high quality Pet Health Care products through online channels. The products, which are sold under the Pet MD® and VetWELL® brands, are offered via the major online platforms Amazon and Chewy.com, which account for over 90% of total revenue. Pet MD Brands had a revenue of approximately 149 MSEK during the twelve-month period October 2019 - September 2020 with an adjusted EBITDA of approximately 24 MSEK, corresponding to an EBITDA margin of 16%. Pet MD Brands will continue to be led by Stephen Watters and Edward Holden, who will also become major shareholders in Swedencare. At the time of the acquisition, Pet MD Brands had a total of 8 employees. In the short term, synergies in sales and marketing can be achieved partly through Swedencare's product family ProDen PlaqueOff®, which complements Pet MD Brand's product offerings, and partly through its experience in online trading and then mainly the large platforms Amazon and Chewy.com. Swedencare also believes that Pet MD Brands will quickly benefit from synergies in logistics through cooperation with our other subsidiaries in the US. In 2021, Pet MD® was launched on Amazon UK and other parts of Europe, followed by other markets, primarily in Asia.

### Rx Group

#### – Acquisition of an American company with a focus on dietary supplements for the veterinary channel

On April 1st, Swedencare acquired 100% of the American company RxV Enterprises with its wholly owned subsidiary Rx Vitamins ("Rx Vitamins" or "Rx"), a dietary supplement specialist focusing on premium brands for pets. The purchase price of a total of approximately 200 MSEK is paid through a cash payment of approximately 160 MSEK and a new issue in kind of shares of a total of 95,542 shares (corresponding to 477,710 shares after share split 5:1) in Swedencare, corresponding to 40 MSEK. The company, which was founded by owner Craig Kisciras in 1998, is completely focused on offering high-quality Pet Health Care products to the veterinary channel. As one of the founders of the National Animal Supplement Council (NASC), Rx Vitamins is a reputable and respected player in the industry. The customer base at Rx is primarily veterinary clinics that order directly, supplemented with some sales to specialized local distributors in the US. The company also sells for export to a dozen markets and has a smaller range of dietary human supplement products, which is sold to a few major customers. Rx Vitamins had a revenue of approximately 74 MSEK in 2020 with an adjusted EBIT of 22.6 MSEK, corresponding to an EBIT margin of 31%. Only pure and high-quality ingredients are used in the manufacture of all Rx Vitamins' various pet products.

### Vetio Group

#### – Acquisition of leading North American CDMO group active in Pet Health Care

On July 1st, Swedencare acquired 100% of the American company Vetio, North America's leading Contract Development Manufacturing Organization (CDMO) player with operations in contract development and manufacturing. The purchase price of a total of approximately 1,557 MSEK is paid through a cash payment of approximately 1,539 MSEK and a new issue in kind of shares of a total of 184,190 shares in Swedencare, approximately 18 MSEK. Vetio's business offering is a contract development and manufacturing model in pharmaceuticals and OTC products, primarily dermatology and dietary supplements, for world-leading companies in the Pet Health Care sector. Vetio has long customer relationships based on first-class production capacity, intellectual property rights, know-how and specialist expertise in pharmaceuticals and OTC products for the veterinary sector. Over the past two years, Vetio has expanded with an FDA-certified manufacturing facility in Montreal, and with this, it has further strengthened its position as a leader in drug development and production for the veterinary market. The company has signed several large customer agreements in development and production, which will start in the coming years. Vetio had a revenue of approximately 274.6 MSEK in 2020 with an adjusted EBITDA of 55.3 MSEK, corresponding to an EBITDA margin of 20%. Sales for the twelve-month period June 2020 - May 2021 was approximately 322 MSEK with an adjusted EBITDA of 73 MSEK, corresponding to an EBITDA margin of 23%.

## **Fulfillment Advantage Ventures**

### **– Acquisition of an American logistics company for e-commerce of Pet Health Care products**

On October 1st, Swedencare acquired 100% of the US company Fulfillment Advantage Ventures, Inc. (FAV), a direct-to-consumer (B2C) logistics company that focuses on direct delivery and logistics solutions for the pet sector. The purchase price of a total of approximately 41.5 MSEK is paid through a cash payment of approximately 25.0 MSEK and a new issue in kind of shares of a total of 111,553 shares in Swedencare, approximately 16.5MSEK to sales management. With this strategic acquisition, Swedencare gets a higher level of e-commerce expertise regarding the flow directly to consumers towards its own customers and for its own brands. The acquisition also means that we get a comprehensive solution that satisfies the entire supply chain, which generates faster deliveries at reduced costs. In addition, Swedencare will also expand its network of platform customers which will form an important basis for our latest licensing program with Dr. Pol, which was announced September 8<sup>th</sup>. The project will be launched on several different online platforms at the same time, something that would not have been possible without FAV, which has built up a strong drop-ship program with several leading online platforms including Amazon, Chewy and Target. FAV had a revenue of 24.3 MSEK during the twelve-month period September 2020 - August 2021 with a negative EBITDA of 0.9 MSEK. FAV's own DTC brands, which generated approximately 11.3 MSEK in sales during the period, will benefit from Swedencare's product portfolio, marketing programs and international networks. The purchase price of 41.5 MSEK, on a debt- and cash-free basis, corresponds to 1.7 times the company's revenue during the twelve-month period September 2020 - August 2021.

## **Acquisitions completed after the end of the period**

### **NaturVet**

#### **– Acquisition of the leading American pet supplement company**

On February 1<sup>st</sup>, 2022, Swedencare acquires 100% of the American company NaturVet, one of the largest and most profitable companies in the premium segment of the pet market in the premium segment. The purchase price of a total of approximately 4,148 MSEK will be paid through a cash payment of approximately 3,717 MSEK and a new issue in kind of shares of a total of 3,854,978 shares in Swedencare, approximately 431 MSEK upon acquisition. A condition-based purchase price (earn-out) of a maximum of approximately 255 MSEK may be paid if certain conditions are met as of June 30<sup>th</sup>, 2022, this part of the purchase price is settled in cash. NaturVet had a revenue of approximately 448.6 MSEK in 2020 with an adjusted EBITDA of approximately 141.8 MSEK, corresponding to an EBITDA margin of 31.7%. The preliminary, unaudited, financial statements for the financial year 2021 show a revenue of 592.3 and an adjusted EBITDA of approximately 193, corresponding to an EBITDA margin of 32.7%. Through the acquisition, Swedencare will have a very strong position in premium products in the American pet market, while NaturVet's products can gradually be offered within Swedencare's global distribution network. The acquisition is included in the consolidated accounts from February 1<sup>st</sup>, 2022, the account of the business combination (acquisition analysis) is incomplete as of the reporting date, which is why certain information could not be provided in this year-end report. Analysis of closing balances is ongoing, which is why no preliminary PPA has been drawn up.

### **Innovet**

#### **– Acquisition of an Italian company with focus on the veterinary segment**

On January 26<sup>th</sup>, 2022, Swedencare announced the acquisition of 100% of Innovet, one of Italy's leading and most profitable dietary supplement companies focused on the veterinary segment. The purchase price of a total of approximately 525 MSEK will be paid through a cash payment of approximately 446 MSEK and a new issue in kind of shares of a total of 606,799 shares in Swedencare, approximately 79 MSEK upon closing, which is expected to take place on March 1<sup>st</sup>. Innovet had a revenue of 128.8 MSEK during the twelve-month period October 2020 - September 2021 with an adjusted EBITDA of 45.7 MSEK corresponding to an EBITDA margin of 35.4%. Through the acquisition, Swedencare will have a strong position in dietary supplements in the Italian pet market, while Innovet's internationalization will have increased resources through Swedencare's global distribution network.

Acquisitions		Pet MD Brands	Rx Group	Vetio Group	Fav
<b>Purchase price</b>					
Cash payment for this year's acquisitions		122 059	159 615	1 538 723	24 992
Non-cash issue		53 408	39 430	18 769	16 454
<b>Total purchase price</b>		<b>175 467</b>	<b>199 045</b>	<b>1 557 492</b>	<b>41 446</b>
Acquired assets and liabilities	Pet MD Brands	Rx Group	Vetio Group	Fav	Total
Intangible assets					
- Brands	75 735	27 436	37 522	-	140 693
- Customer relations	55 058	39 928	721 408	-	816 394
- Intellectual property	-	-	44 146	-	44 146
Tangible fixed assets	-	199	104 341	284	104 824
Inventory	28 631	26 164	37 073	4 587	96 455
Accounts receivable	5 422	4 688	54 349	2 823	67 282
Other current receivables	486	575	24 480	1 358	26 899
Cash	18	-	4 827	104	4 949
<b>Total acquired net assets</b>	<b>165 350</b>	<b>98 990</b>	<b>1 028 146</b>	<b>9 156</b>	<b>1 301 642</b>
Accounts payable	-2 477	-3 821	-24 327	-2 944	-33 569
Other current liabilities	-2 971	-405	-20 689	-1 174	-25 239
Deferred tax liability	-37 428	-24 380	-148 207	-	-210 015
<b>Total acquired net liabilities</b>	<b>-42 876</b>	<b>-28 606</b>	<b>-193 223</b>	<b>-4 118</b>	<b>-268 823</b>
Goodwill	52 993	128 661	722 569	36 408	940 631
<b>Total</b>	<b>175 467</b>	<b>199 045</b>	<b>1 557 492</b>	<b>41 446</b>	<b>1 973 450</b>
Payments for acquisitions		Pet MD Brands	Rx Group	Vetio Group	Fav
Payment for this year's acquisition		175 467	199 045	1 557 492	41 446
Acquired cash and bank balances		18	-	4 827	104
Issue costs that are reported as deduction items in equity		-3 090	-134	-808	-83
Transaction costs that are charged to the profit under Other external costs		-634	-706	-13 991	-907
<b>Totally paid</b>		<b>171 761</b>	<b>198 205</b>	<b>1 547 520</b>	<b>40 560</b>
Grants from acquired companies		Pet MD Brands	Rx Group	Vetio Group	Fav
<b>Contribution from the time when there was a controlling influence</b>					
Total revenue		173 359	53 802	131 855	9 118
Total profit		15 396	14 116	18 036	336
Grants if the acquisition had been made on January 1 <sup>st</sup> , 2021		Pet MD Brands	Rx Group	Vetio Group	Fav
Total revenue		173 359	73 137	296 787	28 225
Total profit		15 396	11 518	36 676	-4 220

## Note 2 Adjustments and completed acquisition analyzes

During the period Q4 2020 - Q4 2021, Swedencare AB (publ) acquired the following companies:

- Nutravet (acquisition 2020)
- Pet MD Brands (acquisition 2021)
- RX Vitamins (acquisition 2021)
- Vetio (acquisition 2021)
- FAV (acquisition 2021)

In the initial preliminary acquisition analyzes, which were presented in the year-end report 2020, annual report 2020 and interim report Q3 2021, the surplus value was allocated to goodwill. These have been adjusted to reflect the information, facts and circumstances that existed at the time of acquisition. The adjustment has been made in accordance with IFRS 3 and within the time limit of one year from the date of acquisition. In connection with the adjustment and determination of the acquisition analyzes, part of the surplus value has been allocated from the preliminarily reported goodwill to brands, customer relationships, intellectual property and deferred tax liabilities. Goodwill and trademarks have an indefinite useful life and are not amortized but are tested for impairment annually or upon indication.

Other acquired intangible assets are amortized over the estimated useful life. A new assessment of the useful life has been made over the period for all intangible assets in the Group, which resulted in an increase in depreciation of 62.2 MSEK during 2020 and 2021. In addition, the determination of final acquisition analyzes meant that the acquired inventories were adjusted to fair value. The profit effect of this fair value is normally reported as an expense during the period in which the inventory is sold. As the acquired inventory already has been sold, the entire profit effect of 53.6 MSEK has been reported as an expense during 2020 and 2021.

During the year-end work, an adjustment has been made in the initial acquisition analyzes for Nutravet, Pet MD Brands and RX Group. The acquisition analysis for Vetio and FAV, which are presented under Note 1 has also been established. Previous periods have been adjusted regarding revised acquisition analyzes, see pages 34-45 for the consolidated balance sheet and income statement for July 2020-September 2021.

In connection with the revision of existing and new acquisitions during the year, we have created a process that will be followed with new acquisitions in the future. The process means that acquisition analyzes for new companies will be determined before the quarterly report for the period when the acquisition took place.



## Reported values of acquired assets and assumed liabilities

	Nutravet	Pet MD Brands	Rx Group	Vetio Group	Fav	Total
Intangible fixed assets						
- Brands	57 207	75 735	27 436	37 522	-	197 900
- Customer relations	84 596	55 058	39 928	721 408	-	900 990
- Intellectual property	-	-	-	44 145	-	44 145
Tangible fixed assets	1 153	-	199	104 341	284	105 977
Inventory	42 255	28 631	26 164	37 073	4 587	138 710
Accounts receivable	7 490	5 422	4 688	54 349	2 823	74 772
Other current receivables	1 029	486	575	24 480	1 358	27 928
Cash	71 968	18	-	4 827	104	76 917
<b>Total assets acquired</b>	<b>265 698</b>	<b>165 350</b>	<b>98 990</b>	<b>1 028 145</b>	<b>9 156</b>	<b>1 567 339</b>
Long-term liabilities	-18	-2 477	-3 821	-24 327	-2 944	-33 587
Accounts payable	-9 253	-2 971	-405	-20 689	-1 174	-34 492
Other current liabilities	-31 559	-37 428	-24 380	-148 207		-241 574
Deferred tax liability	-40 830	-42 876	-28 606	-193 223	-4 118	-309 653
<b>Total acquired liabilities</b>	<b>221 591</b>	<b>52 993</b>	<b>128 661</b>	<b>722 570</b>	<b>36 408</b>	<b>1 162 223</b>
Goodwill	446 459	175 467	199 045	1 557 492	41 446	2 419 909
<b>Total</b>	<b>446 459</b>	<b>175 467</b>	<b>199 045</b>	<b>1 557 492</b>	<b>41 446</b>	<b>2 419 909</b>

## Q4 and full year 2020 - Adjusted consolidated profit and loss (KSEK)

	According to previous interim report		After adjustment	According to previously established annual report		After adjustment
	Oct-Dec 2020	Adjustment	Oct-Dec 2020	Jan-Dec 2020	Adjustment	Jan-Dec 2020
Net revenue	100 640	-	100 640	239 946	-	239 946
Other revenue	131	-	131	349	-	349
<b>Total revenue</b>	<b>100 771</b>		<b>100 771</b>	<b>240 295</b>		<b>240 295</b>
Cost of sales	-37 317	-10 334	-47 651	-82 602	-10 334	-92 936
<b>Gross margin</b>	<b>63 454</b>	<b>-10 334</b>	<b>53 120</b>	<b>157 693</b>	<b>-10 334</b>	<b>147 359</b>
Other external costs	-17 008	-	-17 008	-43 623	-	-43 623
Personnel costs	-14 869	-	-14 869	-43 769	-	-43 769
<b>EBITDA</b>	<b>31 577</b>	<b>-10 334</b>	<b>21 243</b>	<b>70 301</b>	<b>-10 334</b>	<b>59 967</b>
Depreciation and amortization	-1 804	-6 499	-8 303	-4 844	-8 617	-13 461
Other costs	-4 435	-	-4 435	-5 091	-	-5 091
<b>EBIT</b>	<b>25 338</b>	<b>-16 833</b>	<b>8 505</b>	<b>60 366</b>	<b>-18 951</b>	<b>41 415</b>
Financial costs	-1 140	-	-1 140	-1 696	-	-1 696
<b>Result after financial costs</b>	<b>24 198</b>	<b>-16 833</b>	<b>7 365</b>	<b>58 670</b>	<b>-18 951</b>	<b>39 719</b>
<b>Net income before tax</b>	<b>24 198</b>	<b>-16 833</b>	<b>7 365</b>	<b>58 670</b>	<b>-18 951</b>	<b>39 719</b>
Tax on profit	-3 750	-	-3 750	-10 139	-	-10 139
Deferred tax	-	3 774	3 774	-	3 774	3 774
<b>Net income</b>	<b>20 448</b>	<b>-13 059</b>	<b>7 389</b>	<b>48 531</b>	<b>-15 177</b>	<b>33 354</b>
<b>Earnings per share (SEK)</b>	<b>0,20</b>	<b>-0,13</b>	<b>0,07</b>	<b>0,56</b>	<b>-0,17</b>	<b>0,38</b>

## December 31<sup>st</sup>, 2020 - Adjusted consolidated balance sheet (KSEK)

	According to previously established annual report		After adjustment
	31 Dec 2020	Adjustment	31 Dec 2020
<b>ASSETS</b>			
<b>Non current assets</b>			
Goodwill	567 915	-128 980	438 935
Other intangible assets	141 413	127 415	268 828
Buildings and land	29 841	-	29 841
Machinery and other tech assets	5 212	-	5 212
Tools, furniture and fixtures	6 019	-	6 019
Other financial assets	60	-	60
Deferred tax asset	5	1 536	1 541
<b>Total non current assets</b>	<b>750 465</b>	<b>-29</b>	<b>750 436</b>
<b>Current assets</b>			
Inventory	61 792	13 587	75 379
Accounts receivable	49 061	-	49 061
Tax receivables	-	-	-
Other receivable	1 419	-	1 419
Prepaid costs and deferred revenue	3 662	-	3 662
Cash	284 081	-	284 081
<b>Total current assets</b>	<b>400 015</b>	<b>13 587</b>	<b>413 602</b>
<b>TOTAL ASSETS</b>	<b>1 150 480</b>	<b>13 558</b>	<b>1 164 038</b>

## December 31<sup>st</sup>, 2020 - Adjusted consolidated balance sheet (KSEK) cont.

	According to previously established annual report		After adjustment
	31 Dec 2020	Adjustment	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1 044	-	1 044
Reserve fund	22	-	22
Other equity incl. full year result	931 882	-14 597	917 285
<b>Total equity</b>	<b>932 948</b>	<b>-14 597</b>	<b>918 351</b>
<b>Long term liabilities</b>			
Debt to credit institutions	117 500	-	117 500
Other interest-bearing liabilities	21 432	-	21 432
Deferred tax liability	-	28 155	28 155
<b>Kortfristiga skulder</b>			
Short term liabilities	35 500	-	35 500
Accounts payable	18 991	-	18 991
Tax liabilities	6 457	-	6 457
Other interest-bearing liabilities	4 276	-	4 276
Other current liabilities	6 851	-	6 851
Deferred costs and prepaid income	6 525	-	6 525
<b>Total liabilities</b>	<b>217 532</b>	<b>28 155</b>	<b>245 687</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 150 480</b>	<b>13 558</b>	<b>1 164 038</b>



## Q1 2021 - Adjusted consolidated profit and loss (KSEK)

	According to previous interim report	Adjustment	After adjustment
	Jan-Mar 2021		Jan-Mar 2021
Net revenue	133 908	-	133 908
Other revenue	190	-	190
<b>Total revenue</b>	<b>134 098</b>	<b>-</b>	<b>134 098</b>
Cost of sales	-54 763	-15 687	-70 450
<b>Gross margin</b>	<b>79 335</b>	<b>-15 687</b>	<b>63 648</b>
Other external costs	-24 747	-	-24 747
Personnel costs	-18 808	-	-18 808
<b>EBITDA</b>	<b>35 780</b>	<b>-15 687</b>	<b>20 093</b>
Depreciation and amortization	-1 900	-6 988	-8 888
Other costs	1 309	-	1 309
<b>EBIT</b>	<b>35 189</b>	<b>-22 675</b>	<b>12 514</b>
Financial costs	-1 311	-	-1 311
<b>Result after financial costs</b>	<b>33 878</b>	<b>-22 675</b>	<b>11 203</b>
<b>Net income before tax</b>	<b>33 878</b>	<b>-22 675</b>	<b>11 203</b>
Tax on profit	-7 135	-	-7 135
Deferred tax	-	4 856	4 856
<b>Net income</b>	<b>26 743</b>	<b>-17 819</b>	<b>8 924</b>
<b>Earnings per share (SEK)</b>	<b>0,25</b>	<b>-0,17</b>	<b>0,08</b>

## March 31<sup>st</sup>, 2021 - Adjusted consolidated balance sheet (KSEK)

	According to previous interim report		After adjustment
	31 Mar 2021	Adjustment	31 Mar 2021
<b>ASSETS</b>			
<b>Non current assets</b>			
Goodwill	777 512	-251 867	525 645
Other intangible assets	149 946	269 269	419 215
Buildings and land	27 825	-	27 825
Machinery and other tech assets	5 696	-	5 696
Tools, furniture and fixtures	8 315	-	8 314
Other financial assets	61	-	61
Deferred tax asset	-	2 512	2 512
<b>Total non current assets</b>	<b>969 355</b>	<b>19 913</b>	<b>989 268</b>
<b>Current assets</b>			
Inventory	88 468	12 295	100 763
Accounts receivable	73 239	-	73 239
Tax receivables	-	-	-
Other receivable	1 256	-	1 256
Prepaid costs and deferred revenue	4 422	-	4 422
Cash	162 528	-	162 528
<b>Total current assets</b>	<b>329 913</b>	<b>12 295</b>	<b>342 208</b>
<b>TOTAL ASSETS</b>	<b>1 299 268</b>	<b>32 208</b>	<b>1 331 476</b>

## March 31<sup>st</sup>, 2021 - Adjusted consolidated balance sheet (KSEK) cont.

	According to previous interim report		After adjustment
	31 Mar 2021	Adjustment	31 Mar 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1 054	-	1 054
Reserve fund	22	-	22
Other equity incl. full year result	1 078 840	-33 687	1 045 153
<b>Total equity</b>	<b>1 079 916</b>	<b>-33 687</b>	<b>1 046 229</b>
<b>Long term liabilities</b>			
Debt to credit institutions	108 625	-	108 625
Other interest-bearing liabilities	19 726	-	19 726
Deferred tax liability	712	65 895	66 607
<b>Kortfristiga skulder</b>			
Short term liabilities	35 500	-	35 500
Accounts payable	21 010	-	21 010
Tax liabilities	11 419	-	11 419
Other interest-bearing liabilities	4 794	-	4 794
Other current liabilities	7 056	-	7 056
Deferred costs and prepaid income	10 510	-	10 510
<b>Total liabilities</b>	<b>219 352</b>	<b>65 895</b>	<b>285 247</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 299 268</b>	<b>32 208</b>	<b>1 331 476</b>

## Q2 2021 - Adjusted consolidated profit and loss (KSEK)

	According to previous interim report		After adjustment	According to previous interim report		After adjustment
	Apr-Jun 2021	Adjustment	Apr-Jun 2021	Jan-Jun 2021	Adjustment	Jan-Jun 2021
Net revenue	160 221	-	160 221	294 129	-	294 129
Other revenue	26	-	26	216	-	216
<b>Total revenue</b>	<b>160 247</b>	<b>-</b>	<b>160 247</b>	<b>294 345</b>	<b>-</b>	<b>294 345</b>
Cost of sales	-65 472	-15 944	-81 416	-120 235	-31 631	-151 866
<b>Gross margin</b>	<b>94 775</b>	<b>-15 944</b>	<b>78 831</b>	<b>174 110</b>	<b>-31 631</b>	<b>142 479</b>
Other external costs	-27 378	-	-27 378	-52 126	-	-52 126
Personnel costs	-20 190	-	-20 190	-38 998	-	-38 998
<b>EBITDA</b>	<b>47 207</b>	<b>-15 944</b>	<b>31 263</b>	<b>82 986</b>	<b>-31 631</b>	<b>51 355</b>
Depreciation and amortization	-2 707	-7 665	-10 372	-4 607	-14 653	-19 260
Other costs	-469	-	-469	840	-	840
<b>EBIT</b>	<b>44 031</b>	<b>-23 609</b>	<b>20 422</b>	<b>79 219</b>	<b>-46 284</b>	<b>32 935</b>
Financial costs	-1 631	-	-1 631	-2 941	-	-2 941
<b>Result after financial costs</b>	<b>42 400</b>	<b>-23 609</b>	<b>18 791</b>	<b>76 278</b>	<b>-46 284</b>	<b>29 994</b>
<b>Net income before tax</b>	<b>42 400</b>	<b>-23 609</b>	<b>18 791</b>	<b>76 278</b>	<b>-46 284</b>	<b>29 994</b>
Tax on profit	-9 807	-	-9 807	-16 942	-	-16 942
Deferred tax	-	6 242	6 242	-	11 098	11 098
<b>Net income</b>	<b>32 593</b>	<b>-17 367</b>	<b>15 226</b>	<b>59 336</b>	<b>-35 186</b>	<b>24 150</b>
<b>Earnings per share (SEK)</b>	<b>0,06</b>	<b>-0,03</b>	<b>0,03</b>	<b>0,11</b>	<b>-0,07</b>	<b>0,05</b>



## June 30<sup>th</sup>, 2021 - Adjusted consolidated balance sheet (KSEK)

	According to previous interim report		After adjustment
	31 Jun 2021	Adjustment	31 Jun 2021
<b>ASSETS</b>			
<b>Non current assets</b>			
Goodwill	936 545	-296 097	640 448
Other intangible assets	154 948	313 892	468 840
Buildings and land	36 275	-	36 275
Machinery and other tech assets	6 146	-	6 146
Tools, furniture and fixtures	7 952	-	7 952
Other financial assets	233	-	233
Deferred tax asset	-	3 979	3 979
<b>Total non current assets</b>	<b>1 142 099</b>	<b>21 774</b>	<b>1 163 873</b>
<b>Current assets</b>			
Inventory	105 126	11 056	116 182
Accounts receivable	72 147	-	72 147
Tax receivables	-	-	-
Other receivable	1 864	-	1 864
Prepaid costs and deferred revenue	17 117	-	17 117
Cash	1 261 006	-	1 261 006
<b>Total current assets</b>	<b>1 457 260</b>	<b>11 056</b>	<b>1 468 316</b>
<b>TOTAL ASSETS</b>	<b>2 599 359</b>	<b>32 830</b>	<b>2 632 189</b>

## June 30<sup>th</sup>, 2021 - Adjusted consolidated balance sheet (KSEK) cont.

	According to previous interim report		After adjustment
	31 Jun 2021	Adjustment	31 Jun 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1 179	-	1 179
Reserve fund	22	-	22
Other equity incl. full year result	2 254 842	-50 638	2 204 204
<b>Total equity</b>	<b>2 256 043</b>	<b>-50 638</b>	<b>2 205 405</b>
<b>Long term liabilities</b>			
Debt to credit institutions	230 000	-	230 000
Other interest-bearing liabilities	25 835	-	25 835
Deferred tax liability	1 580	83 468	85 048
<b>Kortfristiga skulder</b>			
Short term liabilities	-	-	-
Accounts payable	25 933	-	25 933
Tax liabilities	16 147	-	16 147
Other interest-bearing liabilities	6 432	-	6 432
Other current liabilities	15 634	-	15 634
Deferred costs and prepaid income	21 755	-	21 755
<b>Total liabilities</b>	<b>343 316</b>	<b>83 468</b>	<b>426 784</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 599 359</b>	<b>32 830</b>	<b>2 632 189</b>

## Q3 2021 - Adjusted consolidated profit and loss (KSEK)

	According to previous interim report		After adjustment	According to previous interim report		After adjustment
	Jul-Sep 2021	Adjustment	Jul-Sep 2021	Jan-Sep 2021	Adjustment	Jan-Sep 2021
Net revenue	221 108	-	221 108	515 237	-	515 237
Other revenue	2 220	-	2 220	2 436	-	2 436
<b>Total revenue</b>	<b>223 328</b>	<b>-</b>	<b>223 328</b>	<b>517 673</b>	<b>-</b>	<b>517 673</b>
Cost of sales	-98 525	-8 788	-107 313	-218 760	-40 420	-259 180
<b>Gross margin</b>	<b>124 803</b>	<b>-8 788</b>	<b>116 015</b>	<b>298 913</b>	<b>-40 420</b>	<b>258 493</b>
Other external costs	-50 007	-	-50 007	-102 133	-	-102 133
Personnel costs	-31 736	-	-31 736	-70 734	-	-70 734
<b>EBITDA</b>	<b>43 060</b>	<b>-8 788</b>	<b>34 272</b>	<b>126 046</b>	<b>-40 420</b>	<b>85 626</b>
Depreciation and amortization	-7 309	-17 450	-24 759	-11 916	-32 103	-44 019
Other costs	7 356	-	7 356	8 196	-	8 196
<b>EBIT</b>	<b>43 107</b>	<b>-26 238</b>	<b>16 869</b>	<b>122 326</b>	<b>-72 523</b>	<b>49 803</b>
Financial costs	-3 102	-	-3 102	-6 044	-	-6 044
<b>Result after financial costs</b>	<b>40 005</b>	<b>-26 238</b>	<b>13 767</b>	<b>116 282</b>	<b>-72 523</b>	<b>43 759</b>
<b>Net income before tax</b>	<b>40 005</b>	<b>-26 238</b>	<b>13 767</b>	<b>116 282</b>	<b>-72 523</b>	<b>43 759</b>
Tax on profit	-10 375	-	-10 375	-27 317	-	-27 317
Deferred tax	-	7 402	7 402	-	18 502	18 502
<b>Net income</b>	<b>29 630</b>	<b>-18 836</b>	<b>10 794</b>	<b>88 965</b>	<b>-54 021</b>	<b>34 944</b>
<b>Earnings per share (SEK)</b>	<b>0,25</b>	<b>-0,16</b>	<b>0,09</b>	<b>0,81</b>	<b>-0,49</b>	<b>0,32</b>

## September 30<sup>th</sup>, 2021 - Adjusted consolidated balance sheet (KSEK)

	According to previous interim report		After adjustment
	30 Sep 2021	Adjustment	30 Sep 2021
<b>ASSETS</b>			
<b>Non current assets</b>			
Goodwill	2 339 384	-951 681	1 387 703
Other intangible assets	196 830	1 089 439	1 286 269
Buildings and land	143 180	-	143 180
Machinery and other tech assets	54 293	-	54 293
Tools, furniture and fixtures	10 400	-	10 400
Other financial assets	240	-	240
Deferred tax asset	-	5 273	5 273
<b>Total non current assets</b>	<b>2 744 327</b>	<b>143 031</b>	<b>2 887 358</b>
<b>Current assets</b>			
Inventory	148 652	2 597	151 249
Accounts receivable	104 368	-	104 368
Tax receivables	-	-	-
Other receivable	11 214	-	11 214
Prepaid costs and deferred revenue	23 914	-	23 914
Cash	138 070	-	138 070
<b>Total current assets</b>	<b>426 218</b>	<b>2 597</b>	<b>428 815</b>
<b>TOTAL ASSETS</b>	<b>3 170 545</b>	<b>145 628</b>	<b>3 316 173</b>



## September 30<sup>th</sup>, 2021 - Adjusted consolidated balance sheet (KSEK) cont.

	According to previous interim report		After adjustment
	31 Jun 2021	Adjustment	31 Jun 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1 180	-	1 180
Reserve fund	22	-	22
Other equity incl. full year result	2 371 063	-70 304	2 300 759
<b>Total equity</b>	<b>2 372 265</b>	<b>-70 304</b>	<b>2 301 961</b>
<b>Long term liabilities</b>			
Debt to credit institutions	618 000	-	618 000
Other interest-bearing liabilities	63 492	-	63 492
Deferred tax liability	18 898	215 932	234 830
<b>Kortfristiga skulder</b>			
Short term liabilities	-	-	-
Accounts payable	34 930	-	34 930
Tax liabilities	13 917	-	13 917
Other interest-bearing liabilities	13 016	-	13 016
Other current liabilities	12 737	-	12 737
Deferred costs and prepaid income	23 290	-	23 290
<b>Total liabilities</b>	<b>798 280</b>	<b>215 932</b>	<b>1 014 212</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 170 545</b>	<b>145 628</b>	<b>3 316 173</b>

# Other information

## **Risk factors**

The Board of Directors and the Managing Director ensure that the yearend report gives a true and fair view of the Company's business, position, and results. In assessing Swedencare's future development, it is important to consider risk factors in addition to potential sales and profit growth. Swedencare's operations are affected by several risks that may affect the Company's earnings and financial position to varying degrees. For a description of Swedencare's risks, reference is made to the Company's Annual Report.

## **Accounting principles**

This yearend report has been prepared in accordance with IAS 34, Interim Financial Reporting for the Group. The same consolidation principles, as well as accounting and evaluation principles have been used as in the latest Annual report.

## **Related party transactions**

There have been no significant transactions with related during the full year 2021.

## Board of directors

The Board of Directors ensures that this yearend report provides a true and fair view of the group's operations, financial position, and results.

### Malmö February 17<sup>th</sup>, 2022



Håkan Lagerberg  
CEO and Board Member



Per Malmström  
Board Chairman



Sara Brandt  
Board Member



Håkan Svanberg  
Board Member



Thomas Eklund  
Board Member

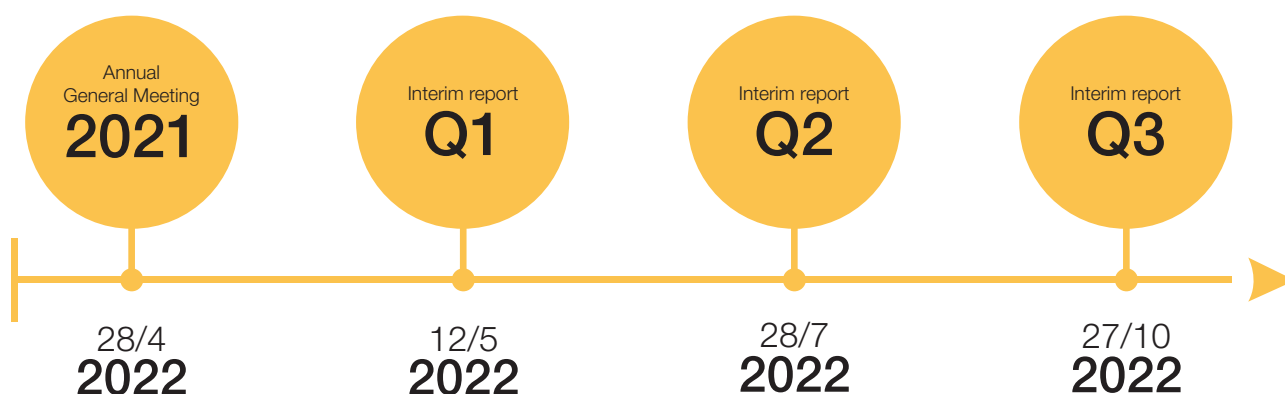


Johan Bergdahl  
Board Member

## Auditor's review

The company's auditor has not reviewed this yearend report.

## Future reporting schedule



The annual report for the financial year 2021 will tentatively be published on April 6<sup>th</sup>, 2022 at [www.swedencare.se](http://www.swedencare.se).

## Contact

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