

Statement by the Board of Directors of Swedencare AB (publ) in relation to the mandatory bid offer from Symrise AG

The Board of Directors of Swedencare AB (publ) ("Swedencare" or the "Company") unanimously recommends the shareholders of Swedencare not to accept the mandatory cash offer made by Symrise AG ("Symrise").

This statement is made by the Board of Directors of Swedencare in accordance with section II.19 of the Takeover rules for certain trading platforms issued by the Swedish Corporate Governance Board (the "**Takeover rules**").

Background

Symrise has on May 25, 2023 announced that Symrise has acquired an additional 2,300 shares in the Company and therefore holds 30 percent of the shares and votes in the Company (**the "Acquisition"**). Since 5 June 2023, Symrise has placed a public offer, in accordance with the mandatory bid rules in the Takeover rules, to the shareholders of Swedencare to transfer all shares in Swedencare to Symrise (the "**Offer**"). Symrise offers SEK 37.50 in cash per share in Swedencare. The Offer expires on 26 July 2023.

The Offer comprises all outstanding shares in Swedencare that Symrise does not already hold, i.e. 111,112,282 shares.

The Offer entails:

- a negative premium of approximately 10.9 per cent compared to the closing price of Swedencare's share on Nasdaq First North on 5 June 2023 (SEK 42.07), which was the last trading day before Symrise announced the Offer;
- a negative premium of approximately 2.2 per cent compared to the volume-weighted average share price for Swedencare's share on Nasdaq First North during the last 30 trading days up to and including 5 June 2023, which was the last trading day prior to Symrise's announcement of the Offer;
- a negative premium of approximately 1.0 per cent compared to the closing price of Swedencare's share on Nasdaq First North on 24 May 2023 (SEK 37.89), which was the last trading day before Symrise announced the Acquisition; and
- a premium of approximately 13.8 per cent compared to the volume-weighted average share price for Swedencare's share on Nasdaq First North during the last 30 trading days up to and including 24 May 2023, which was the last trading day prior to Symrise's announcement of the Acquisition.

The Offer values all outstanding shares in Swedencare at approximately SEK 5,952 million.

The Offer is conditional upon Symrise obtaining the necessary regulatory approvals from relevant authorities, such as competition authorities, on terms acceptable to Symrise.

Payment to shareholders who accept the Offer will be made as soon as possible after Symrise has announced that the conditions for the Offer are satisfied. If the conditions are met as of 31 July 2023, payment is expected to commence around 3 August 2023.

On 20 June 2023, Symrise published a public takeover document regarding the Offer. For further information regarding the Offer, please refer to Symrise's website: <https://www.symrise.com/de/swedencare/>.

Conflict of interest

Heinz-Jürgen Bertram, board member of Swedencare, and Jean-Yves Parisot, board member of Swedencare, are both employed and hold senior positions in Symrise, as CEO and business area manager, respectively. In light of this, Heinz-Jürgen Bertram and Jean-Yves Parisot have, in accordance with the Takeover rules, not participated in the Board of Directors' handling of or decisions in matters related to the Offer. The other Board members of Swedencare, all of whom are independent, have participated in the handling of the Offer, and the Board of Directors has thus acted as a quorum.

Fairness opinion

The Board of Directors has instructed Pareto Securities AB ("**Pareto**") to issue a fairness opinion in support of the Board of Directors' statement regarding the Offer in accordance with section IV.3 of the Takeover rules. The fairness opinion is attached to this press release. For the fairness opinion, Pareto receives a fixed fee that is independent of the size of the offer price and the degree of offer acceptance.

The Board of Directors' evaluation of the Offer

The Board of Directors has evaluated the Offer in accordance with the Takeover rules. The Board of Directors bases its opinion of the Offer on an overall assessment of a number of factors that the Board of Directors has considered relevant in the evaluation of the Offer. These factors include, but are not limited to, the current market share price of Swedencare, the Company's strategic and financial position, current and expected market conditions, and the Company's expected future development and long-term value creation, including associated opportunities and risks.

In the evaluation of the Offer, the Board of Directors has taken into account the general development in the areas in which Swedencare operates and the conditions for long-term value creation in the Company. Furthermore, the Board has analyzed the Company's valuation in relation to comparable companies and the Board's view of the Company's value based on the potential of Swedencare's development projects and product portfolio.

Swedencare's financial target to reach 4 BSEK 2026 in sales with a 30% EBITDA has also been taken into account by the Board.

The Board of Directors has further noted that Symrise does not have the ambition to acquire all shares in Swedencare and that the Offer is prompted by legal requirements.

The Board sees Symrise as a strategically important owner in the Company.

Pareto's fairness opinion shows that Pareto believes that the Offer, subject to the conditions and assumptions set out in the opinion, does not reflect Swedencare's fundamental value and that the Offer is not to be regarded as fair to the shareholders of Swedencare.

Recommendation of the Board of Directors

In light of the above, the Board does not believe that the Offer reflects the long-term potential of Swedencare. The Board of Directors therefore recommends the shareholders of Swedencare not to accept the Offer. In connection therewith, the Board of Directors wishes to inform that all members of the Board of Directors who for their own part, directly or indirectly, hold shares in Swedencare do not intend to accept the Offer regarding their own shareholdings.

Effects for Swedencare and its employees

According to the Takeover rules, the Board of Directors shall present its opinion on the impact that the carrying out of the Offer may have on Swedencare, in particular regarding employment, and its opinion on Symrise's strategic plans for the Company and the effects that these can be expected to have on employment and on the locations where Swedencare conducts its business. Symrise states the following in its public takeover document regarding the Offer:

"Symrise believes that Swedencare's employees and management team have built a very successful business that has shown very good results. Symrise's plans for continued operations and its general strategy do not entail any significant operational changes regarding Swedencare's operating units, management or employees, including terms of employment."

The Board has no reason to take any other view in relevant respects.

This statement shall in all respects be governed by and shall be construed in accordance with Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts.

For more information, please contact:

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FNCA is the Certified Adviser of the Company

Please visit the Company homepage www.swedencare.com

About Swedencare

Swedencare, a listed company on NASDAQ First North Growth Market, specializes in pet healthcare and produces, markets and sells premium products in the global and fast-growing market. The company has a wide range of strong brands and products within most therapy areas, including Animal Pharmaceuticals®, Nutravet®, NutriScience, Pet MD®, Stratford®, VetWELL®, NaturVet® as well as ProDen PlaqueOff® for oral health to dogs and cats. Swedencare's headquarter is in Malmö, Sweden with subsidiaries located in nine countries with products sold in more than sixty countries. Swedencare's sales have increased significantly over the last few years with strong margins and profits.

Attachments

[Statement by the Board of Directors of Swedencare AB \(publ\) in relation to the mandatory bid offer from Symrise AG](#)
[Fairness Letter 30 June 2023](#)