

Swedencare AB (publ) acquires UK based Custom Vet Products Ltd

Swedencare AB (publ) ("Swedencare") acquires the UK-based Custom Vet Products Ltd ("CVP"). CVP is a manufacturer of pet soft chew products primarily sold in the UK and some European countries. The purchase price amounts to approximately GBP 10.56 million (approximately SEK 137.22 million) and consists of a cash amount of approximately GBP 8.45 million (approximately SEK 110.67 million) and an issue in kind of 620,095 shares in Swedencare, representing approximately GBP 2.11 million (approximately SEK 26.56 million), to the sellers. Through the acquisition Swedencare will receive a strong presence within manufacturing and development of premium pet soft chews for the animal health market in the UK and Europe.

About Custom Vet Products (CVP)

CVP operates a design and manufacturing of high-quality veterinary products & supplements. Customer relationships are long term and based on expert capabilities and knowledge for the veterinary sector. CVP has a brand sold to veterinary practices, but the vast majority of the sales are products that are either private label or contract manufacturing to veterinary companies, chains and clinics.

CVP is characterized by high growth and have just increased its manufacturing capabilities due to new high-volume contracts and customer demand.

CVP's sales for their last financial year (April 2021 to March 2022) were MGBP 2.4 with an EBIT of MGBP 1.0 representing an EBIT-margin of 44%. The purchase price of GBP 10.56 million, on a cash- and debt free basis, correlates to approximately 9.8 times the EBIT of their last financial year.

"Through the acquisition of CVP, we can accelerate our plans to launch soft chews on the European markets. This will both help us to add new products to our existing brands fast and also enable us to facilitate a European launch for some of our important US-based private label and contract manufacturing customers. David and his team have done a fantastic job and has a unique competence in developing soft chews. Together with our own competences from Vetio and Garmon we are creating an important player for the European soft chew market. CVP will be renamed VetioUK as the first entity in Europe for Vetio which now means that we have own manufacturing on both continents." says Håkan Lagerberg, CEO of Swedencare.

CVP will continue to be led by the founder and seller, Managing director David Ryder, together with his highly skilled and experienced team.

"Custom Vet Products is delighted to be joining the Swedencare family of companies. Custom Vet prides itself on making high quality soft chews and other products for the vet and pet industry. In recent months we have already started collaborating with some Swedencares subsidiaries. I firmly believe that the opportunity of being a part of Swedencare will provide superb synergy and bring fantastic opportunities to expand more rapidly into the UK and European Markets. Swedencares proven

international leadership, ethos and expertise directly in our area is something we are really excited about being a part of. We look forward to maximising future growth by making superb products for our partners and customers.” says David Ryder, Managing Director of Custom Vet Products.

Issue in kind

Part of the purchase price for the acquisition consists of 620,095 new shares in Swedencare, corresponding to approximately SEK 26.56 million. The board of directors has therefore today, based on the authorisation from the annual general meeting held on 28 April 2022, resolved on a share issue in kind of 620,095 new shares in Swedencare to be subscribed for by the sellers of CVP. The subscription price is approximately SEK 42.83 per share, which corresponds to the volume-weighted average price paid for Swedencare’s share on Nasdaq First North Growth Market during the period from 3 October to 28 October 2022. The share issue results a dilution of 0,39 percent based on the total number of shares in Swedencare after the completion of the share issue.

The sellers of CVP have entered into a customary lock-up with the Company of 12 months for 3/3 of the shares, 24 months for 2/3 of the shares and 36 months for 1/3 of the shares following the completion of the Share Issue.

Advisors

The law firm Advokatfirman Lindahl KB and Grant Thornton LLP have assisted Swedencare with advice in the transaction. Bevan Brittan provided legal advice to the shareholders of CVP, in conjunction with BHP Translink providing corporate finance and BHP LLP providing tax advisory services to the vendors.

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FNCA is the company’s Certified Adviser

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

[Swedencare AB \(publ\) acquires UK based Custom Vet Products Ltd](#)