

INTERIM REPORT

July-September

2019



“ Our vision is to establish ourselves as the leading company within dental and oral health for the pet market. ”



SWEDENCARE

ABOUT SWEDENCARE

Swedencare develop, produce, market and sell premium products on the global and fastgrowing market within animal healthcare for cats, dogs and horses. The product groups ProDen PlaqueOff® and NutriScience are represented on approximately fifty markets in all parts of the world, including the headquarter in Malmö, seven subsidiaries in the France, Spain, Greece, Ireland, Nordics, Great Britain and United States and through an external distribution network. Swedencare's sales have increased significantly over the last few years with strong margins and results. The board of directors and the management have a wide and extensive experience of international marketing and sales.

FINANCIAL OBJECTIVE

Swedencare's financial goal is to achieve a turnover in excess of 500 MSEK in 2024 with an EBIT margin exceeding 25%.

DIVIDEND

Swedencare shall pay a dividend that takes into account the Group's earnings trend- and consolidation and investment needs, liquidity and financial position. The goal is to pay a dividend of 40 percent of profit after tax.



32% GROWTH YIELDED NEW PROFIT RECORD

SUMMARY OF THE PERIOD

THIRD QUARTER: JULY 1ST – SEPTEMBER 30TH 2019

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

- Net revenue amounted to 31,759 KSEK (24,005 KSEK), an increase of 32%
- Organic, currency-adjusted growth amounted to 29%
- Operating profit before depreciation (EBITDA) amounted to 11,311 KSEK (8,842 KSEK), corresponding to an increase of 28% and an EBITDA margin of 35,6% (36.7%)
- Operating profit after depreciation (EBIT) amounted to 10,995 KSEK (8,664 KSEK), corresponding to an increase about 27% and an EBIT margin of 34,6% (36.0%)
- Profit after tax amounted to 8,875 KSEK (6,961 KSEK)
- Earnings per share calculated on 15,770,622 shares 0,56 SEK (0,44 SEK)
- As of September 30th, 2019, cash amounted to 40,063 KSEK (27,657 KSEK)

FIRST 9 MONTHS: JANUARY 1ST – SEPTEMBER 30TH 2019

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

- Net revenue amounted to 92,686 KSEK (71,359 KSEK), an increase of 30%
- Organic, currency-adjusted growth amounted to 25%
- Operating profit before depreciation (EBITDA) amounted to 31,286 KSEK (22,027 KSEK), corresponding to an increase of 42% and an EBITDA margin of 33.7% (30.8%)
- Operating profit after depreciation (EBIT) amounted to 30,331 KSEK (22,096 KSEK), corresponding to an increase of 37% and an EBIT margin of 32.7% (30.9%)
- Profit after tax amounted to 24,192 KSEK (17,578 KSEK)
- Earnings per share calculated on 15,770,622 shares 1,53 SEK (1,11 SEK)
- Cash flow from operating activities amounted to 24,740 KSEK (14,700 KSEK)
- Foreign exchange gains amounted to 1,273 KSEK (817 KSEK)

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

Swedencare AB (publ) production and logistics center has obtained the GMP B8 certification.

SIGNIFICANT EVENTS AFTER THE THIRD QUARTER

Swedencare AB (publ) acquires the Greek animal health distributor Biovet.

Swedencare AB (publ) present new CEO to lead the company for the financial goals in 2024 and adopts new dividend policy.

WORDS FROM THE CEO

Strong development on a wide front gave new sales and profit records in Q3

Third-quarter sales of SEK 31.8 MSEK increased by 32% compared to Q3 2018. Also the profit developed well and we showed an EBITDA of 11.3 MSEK, an increase of 28% compared to 2018. The EBITDA margin was noted at 35.6%, well above our 30% profit target.

During the first half of the year, we had two quarters with sales of more than 30 MSEK for the first time in the history of Swedencare and I can now note that my assessment that the second half of the year will be even better, is true so far.

Most markets showed continued good development despite the strong first half of the year. North America continues to develop very well, this time with a turnover increase of 43%. Our increased sales force and more systematic efforts of the Canadian market leads to good results and the growth seems to continue. The influencer campaign we focused on this summer has resulted in increased activity on social media, website visits and increased sales. In the future, we will move more resources to influencer and other online marketing in all markets as it is effective from both a cost and time perspective compared to traditional marketing channels.

The UK returned from a slightly calmer Q2 and we feel well prepared for any possible complications that Brexit might initially cause. After talking to a number of experts, we do not expect that our products will suffer any customs duties if a Brexit is implemented.

The rest of Europe has been very strong with, among others, Greece and Portugal where we launched our Dental Bones and also launched in several new chains.

We can now also welcome Biovet with MD Ioanna Phychogiou to the Swedencare family. Biovet will take over responsibility not only for Greece but also the Balkans where we so far have had limited sales.

Italy is the first country where we signed direct agreements with Amazon, a collaboration that got off to a great start during the quarter. In Italy, we previously only marketed our products to veterinarians and now we can see that there is a big suppressed demand that is met through the collaboration with Amazon. During the past quarter, we have sales of more than 0.5 MSEK and now have deliveries to Amazon's Italian warehouse every week.

Negotiations are underway for an extension of the cooperation, and France and the UK are next in line. I expect we have agreements in place during Q4. In both of these countries, we sell a lot already why we will not have the same effect as in Italy, but we will have a completely different opportunity to manage campaigns and marketing which is expected to result in increased sales and a wider range of product offerings.



The start-up in Spain negatively affects us in Q3, which was expected, but agreements with the largest sub-distributor and a large retail chain raise expectations for Q4 and, above all, 2020. Now we have a very strong set-up and can start working with marketing and sales support.

The growth in Asia was strong during Q3 with China as, by far, the largest market. We sent by a great amount our largest delivery to China ever during the quarter and they continue to work methodically to maintain strong growth. According to our distributor, we still have a lot to do in China, which is why I expect strong growth for a number of years to come. In Brazil and Australia, sales are going strong according to our partners and we have received and expect more orders to be delivered during Q4 and early next year. In both Australia and Brazil, our distributors have sold equally or even more during the first three quarters of the year compared to the whole of 2018, so growth should be at least 25% but probably higher. In Brazil, we now reach out to TV and radio with an expert veterinarian and with large Influencer campaigns, which means that our sales have accelerated.

Regarding our pet food projects, we are growing substantially and Canagan have had very great success, both in the domestic market UK but also in a number of export markets. I expect continued strong growth in existing projects and that we will be able to present some new collaboration in the future.

We have now presented our new financial goals for 2023 and I am convinced that Swedencare will be able to achieve these with its unique position and momentum in the business. I myself have come to the conclusion that it is now time to leave after almost six years as CEO. During my time in the company a lot has happened since 2014 when we had sales of about 20 MSEK and had two employees. We have set a new sales strategy, acquired six companies, listed Swedencare on Nasdaq First North Growth Market, broadened the product range and added many new markets, to name a few milestones. Swedencare is now entering the next phase with new goals, and the time is well chosen for a new management. In Jenny Graflind, Swedencare gets an extremely competent CEO who knows the business well and has the energy required to take the company to new levels and successes.

I am convinced that Swedencare will continue to develop very well and I look forward to working on the Board and contributing in the way I can.

Thanks to all of Swedencare's fantastic organization and business partners as well as all the shareholders who have been with me during my time as CEO!

Thank you,

A handwritten signature in black ink, appearing to read 'Håkan Lagerberg', with a long horizontal flourish extending to the right.

Håkan Lagerberg, CEO
Malmö October 24th 2019

KPI'S Q3 2019

NET REVENUE
31 759 KSEK

CHANGE
IN NET
REVENUE
32%

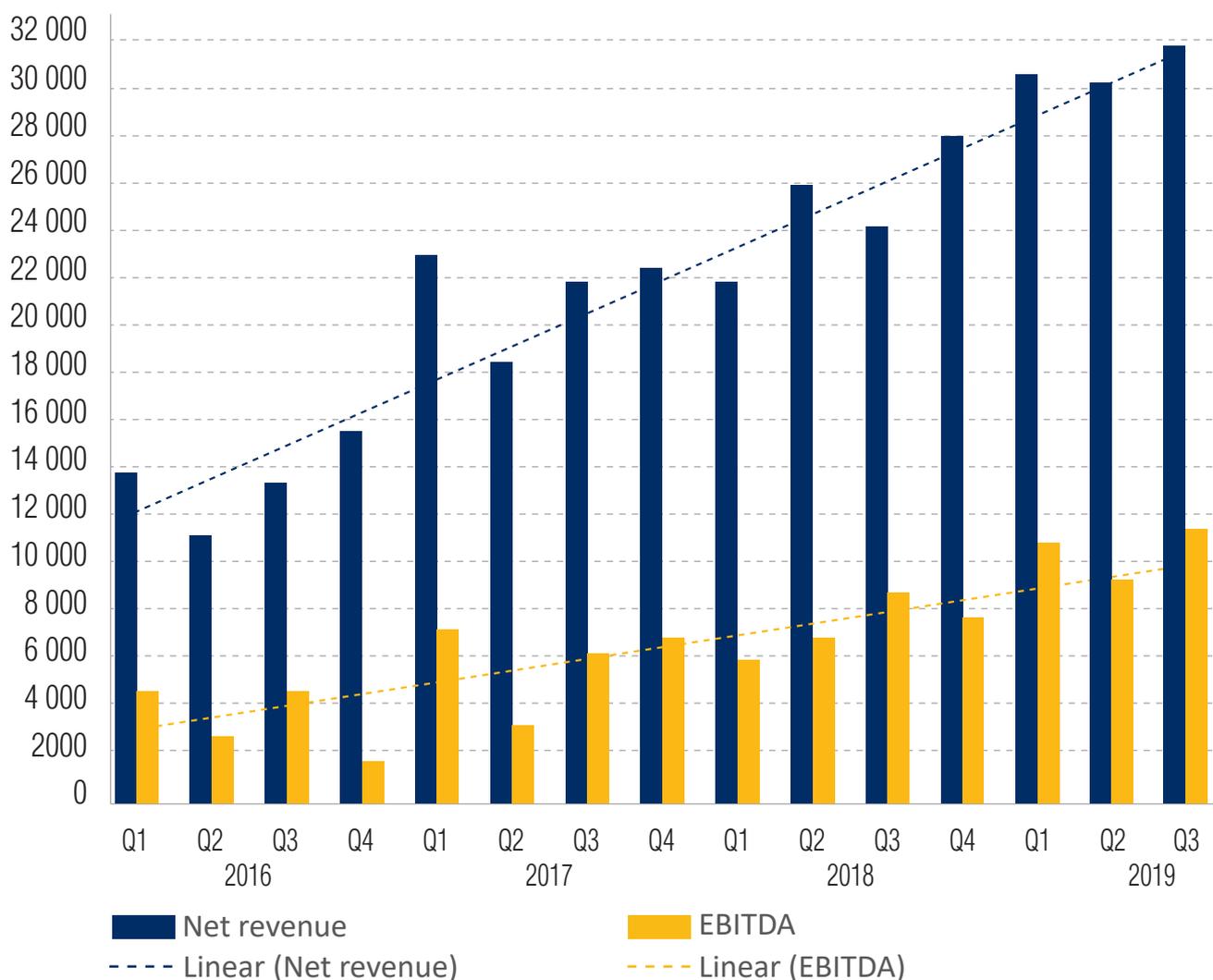
EBIT
10 995 KSEK
EBIT
MARGIN
34.6%

EARNINGS
PER SHARE
0,56 SEK

CASH
40 063 KSEK

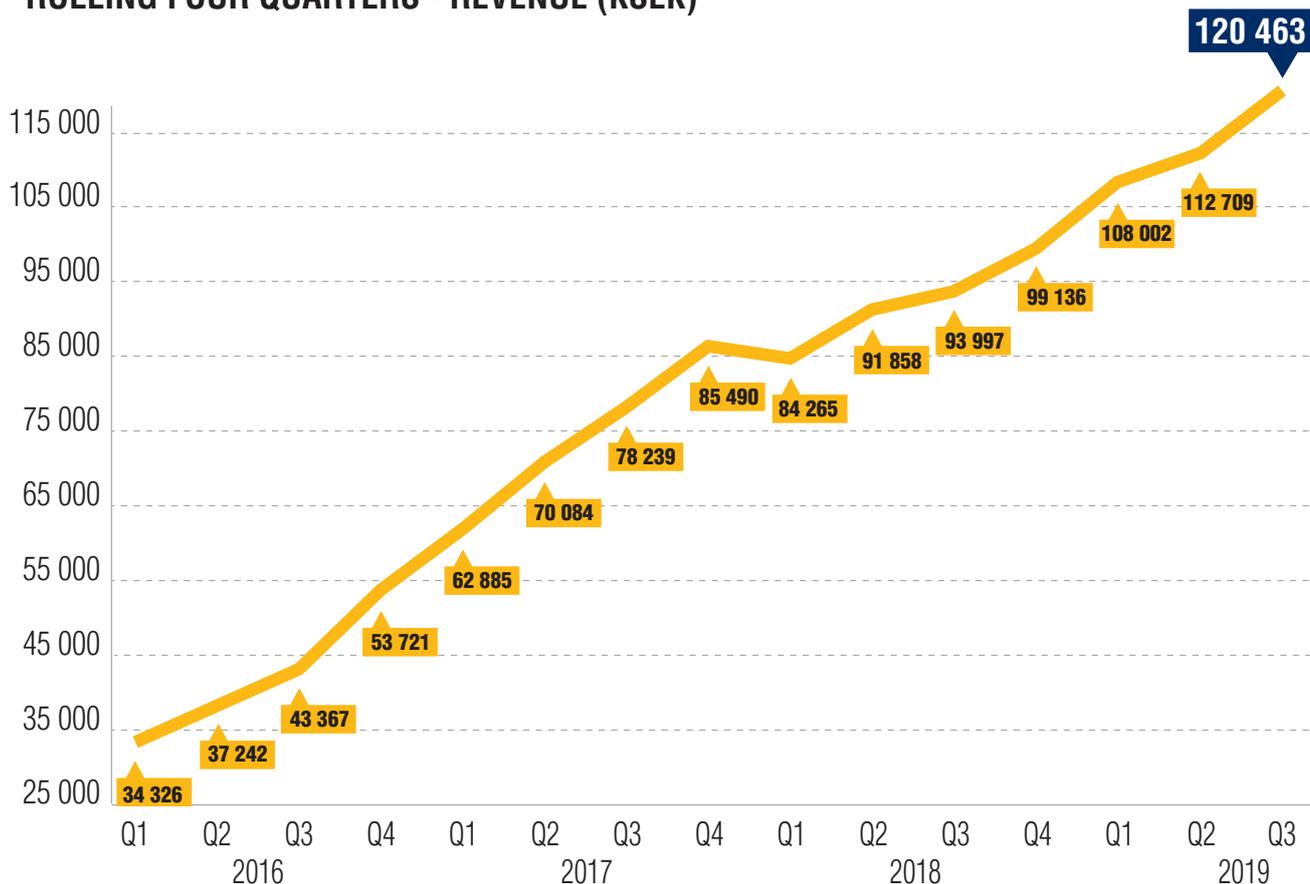
SOLVENCY
86.1%

2016-2019 QUARTERLY HISTORY OF REVENUE AND EBITDA (KSEK)

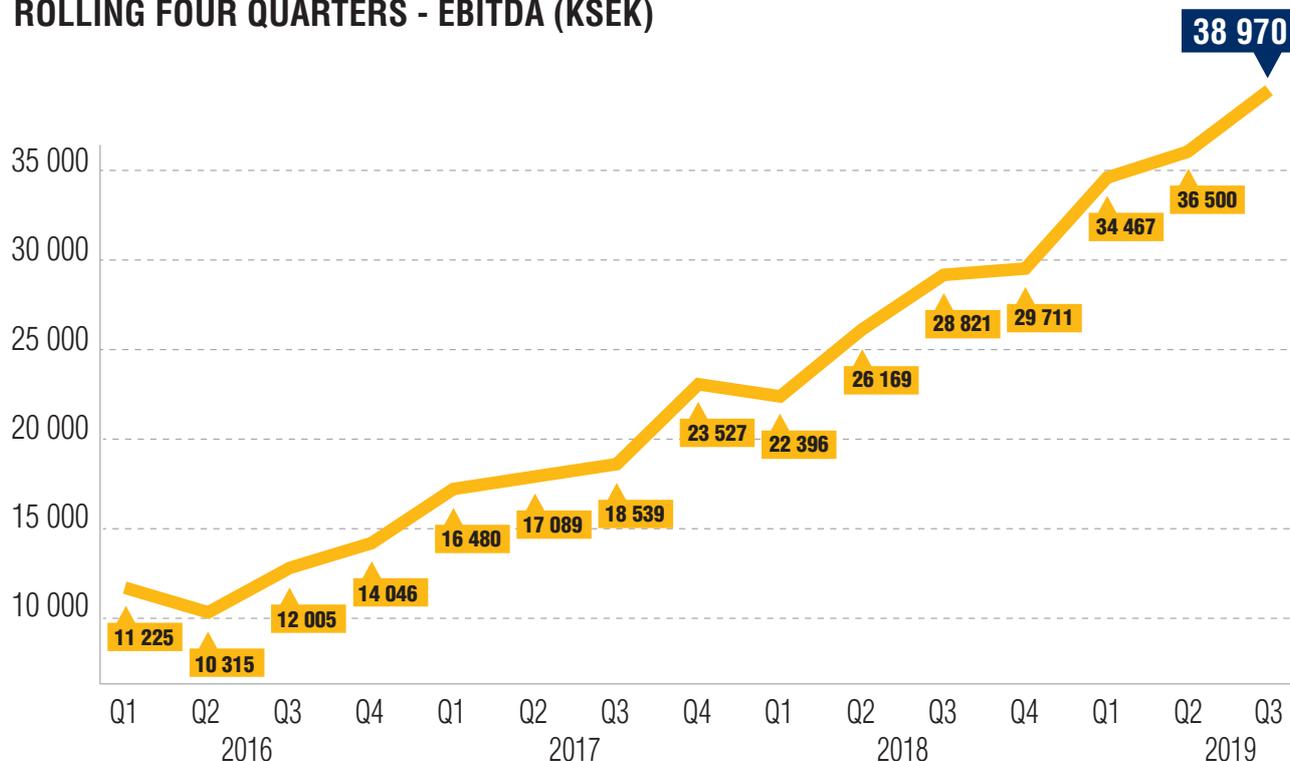


Additional KPI's and definitions can be found on page 20.

ROLLING FOUR QUARTERS - REVENUE (KSEK)



ROLLING FOUR QUARTERS - EBITDA (KSEK)



Note that EBITDA in **QUARTERLY HISTORY** (page 6) and in **ROLLING FOUR QUARTERS** (page 7) before Q1 2018 is calculated according to K3 (local GAAP), however, the difference between accounting principles at EBITDA level is not significant.

COMMENTS ON THE FINANCIAL DEVELOPMENT Q3 2019

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

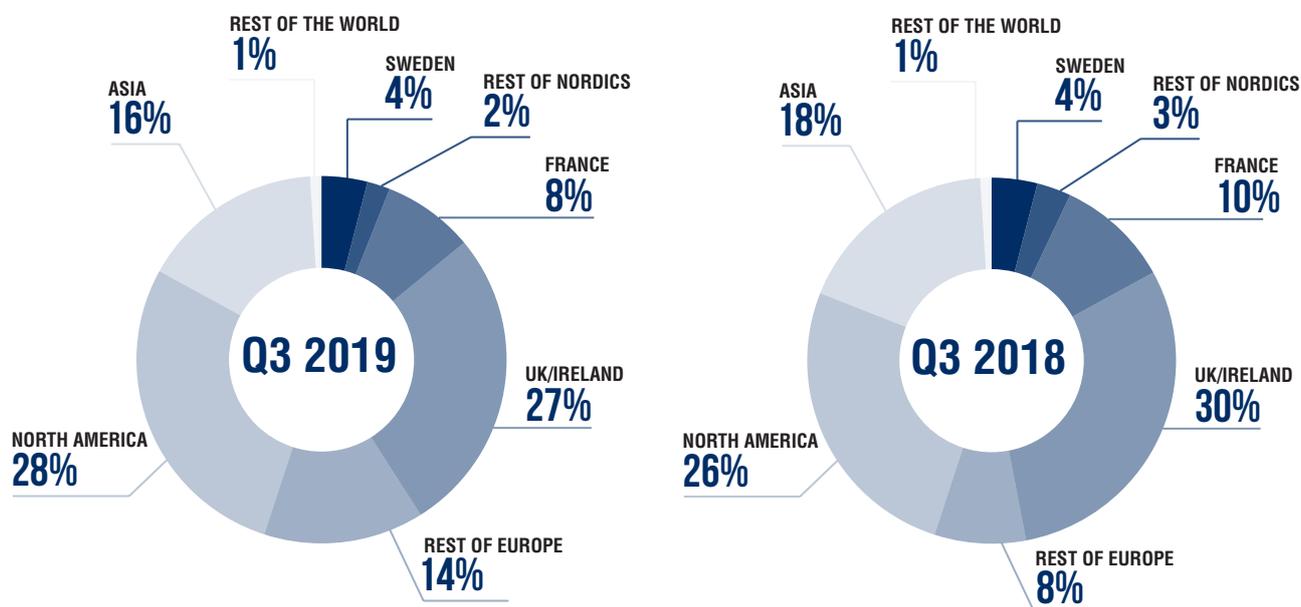
NET REVENUE

Net sales during Q3 increased by 32% to 31,759 KSEK (24 005 KSEK) compared with the corresponding period last year, which means a new sales record. The increase is mainly due to the fact that all ProDen PlaqueOff® product groups have a growth of over 40% as well as a continued strong growth in North America, and that Rest of Europe more than doubled sales during the quarter. Swedencare has also delivered the largest order ever to China during the quarter. Organic growth was 29% in the third quarter.

GEOGRAPHIC DISTRIBUTION

Rest of Europe doubled sales during Q3, which both meant that the sub-market was the fastest growing during Q3 and that the share increased from 8% to 14% compared with the corresponding period last year. The strong contributing factors behind the strong increase are the cooperation with Amazon in Italy and success in the Czech Republic. North America continues to grow with a complete product range where, also, the new and sought-after product, Mini Bones was launched in September. In Q3, North America represented 28% of the Group's total sales.

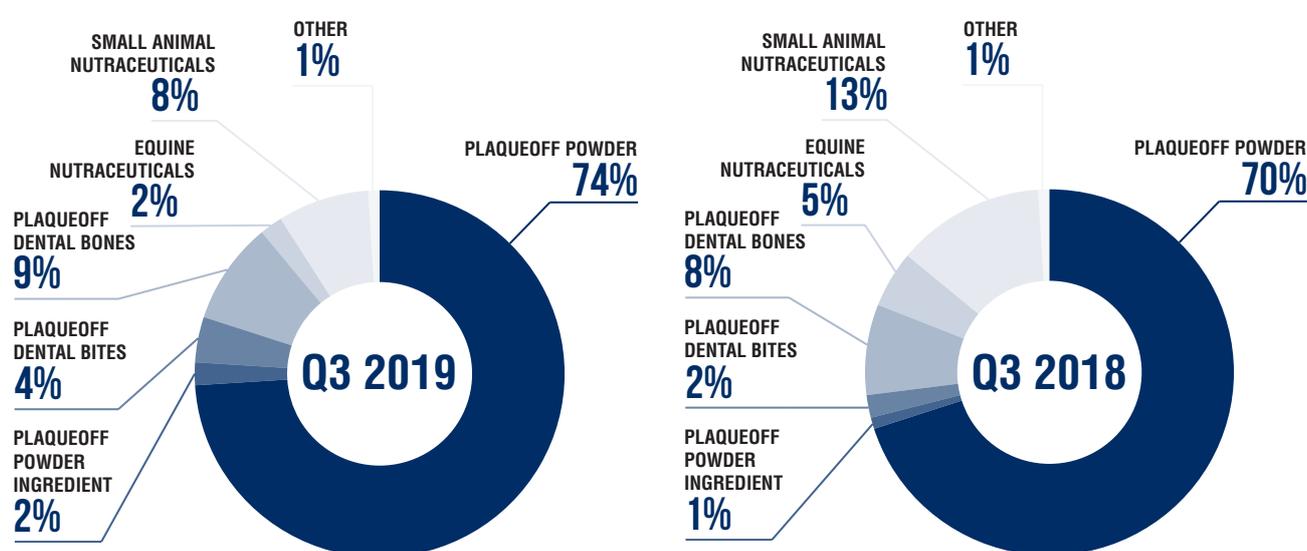
During Q3 2019 and Q3 2018, the geographical sales were distributed according to the graphics.



PRODUCT DISTRIBUTION

All ProDen PlaqueOff® products performed strongly during the quarter. Dental Bones continues to be successful in the markets where they have been launched, the product group has increased by 53% and now represents 9% of total sales. In the US, we will see the first sales of Mini Bones in Q4 and these will be launched in our other markets, initially in Asia and southern Europe. Dental Bites, whose sales in the US have been relaunched, have increased in several markets. Although PlaqueOff Powder, our flagship product, is well established in our markets, the product continues to grow strongly - during the third quarter, growth was as high as 41% compared to the same period last year. Small Animal Nutraceuticals decreased during the quarter compared to the corresponding period last year as a larger order of these was delivered to South Korea in Q3 2018, an order that was not repeated in Q3 2019. From smaller volumes, sales of Powder Ingredient, which is used in our cooperation with pet food producers, tripled sales in line with the increased demand for pet food that includes PlaqueOff.

During Q3 2019 and Q3 2018 sales per product group were distributed according to the graphics.



PROFIT

Operating profit after depreciation and amortization (EBIT) for the third quarter 2019 amounted to 10,995 KSEK (8,664 KSEK), corresponding to an operating margin of 34,6% (36,0%). Personnel costs have increased partly due to new sales staff and a reclassification between external costs and personnel costs, but were also positively affected during the quarter by the holiday period. External costs increase with the continued market efforts, but since there has been a reclassification of certain external costs to personnel costs, the increase is not material.

Depreciation of tangible and intangible fixed assets is affected by IFRS16 Leasing agreements, which means that the Group's lease agreements and cars are also reported in the balance sheet as of 2019.

For the quarter, this amounted to 435 KSEK of the total depreciation. Exchange rate fluctuations affected EBIT in Q3 with a exchange gain of 476 KSEK.

Profit after tax for the third quarter of 2019 amounted to 8,875 KSEK (6,961 KSEK) corresponding to a profit margin of 27,9% (28,9%).

Earnings per share during the third quarter 2019 amounted to 0,56 SEK (0,44 SEK), based on the number of outstanding shares (15,770,622) as of September 30th, 2019.

COMMENTS ON THE FINANCIAL DEVELOPMENT **FIRST 9 MONTHS 2019**

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

NET REVENUE

All quarters in 2019 had net sales in excess of 30 MSEK, which resulted in net sales in the first nine months of 92,686 KSEK (71,359 KSEK) which represents an increase of 30% compared to the same period last year. Asia and North America are the fastest growing markets and now represent almost half (47%) of total sales compared to 40% in the corresponding period last year.

Organic growth was 25% in the first nine months.

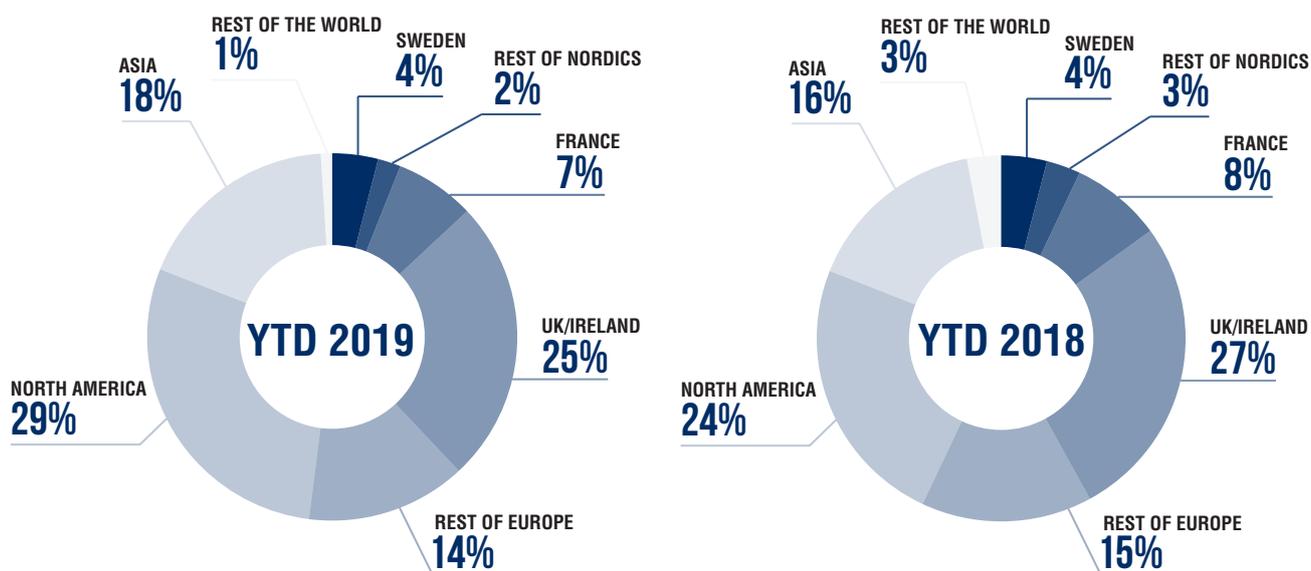
GEOGRAPHIC DISTRIBUTION

During the first nine months, Asia increased by 47% and now represent 18% of total sales compared to 16% in the corresponding period last year. China as the largest market in Asia accounts for 10% of total sales for the first nine months of 2019.

The market in North America continues to advance strongly with an increase of 57% compared to the corresponding period last year. They represent 29% of total sales and thus continue to be our largest market.

In the first nine months of 2018, Rest of the World represented 3% of the Group's total sales, during the corresponding period 2019 the share is 1%. This is because last year we delivered a larger order to Australia and so far this year we have had no delivery to that market.

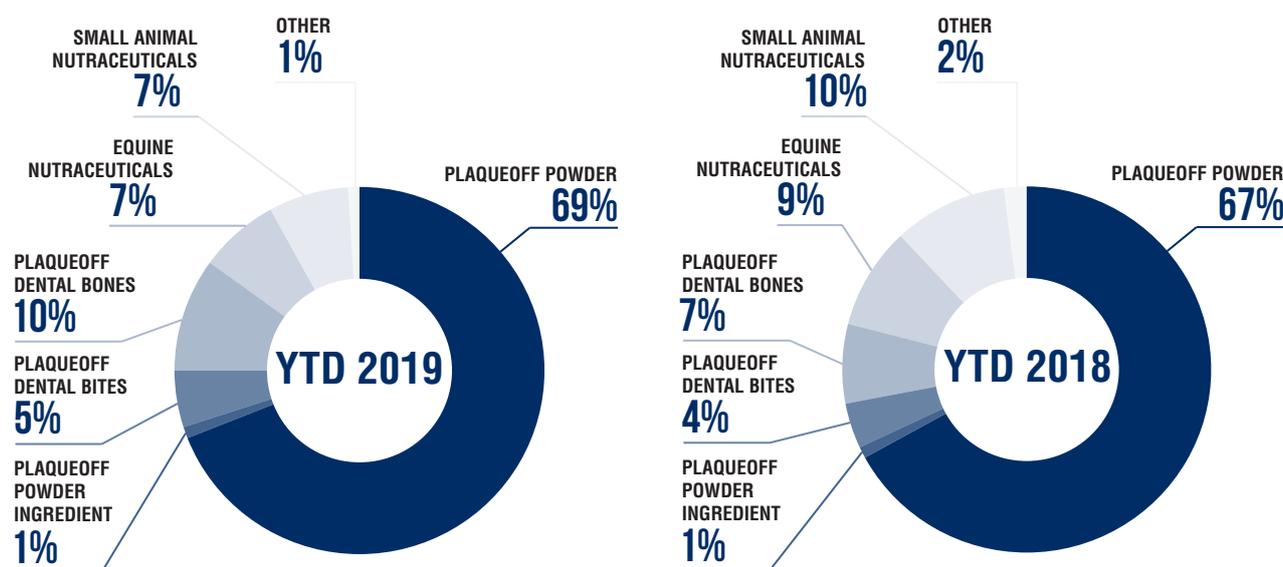
During YTD 2019 and YTD 2018, the geographical sales were distributed according to the graphics.



PRODUCT DISTRIBUTION

All products in the PlaqueOff product line grow very strongly compared to the corresponding period last year. PlaqueOff Powder is the most important product and represents 69% of the Group's total sales. The PlaqueOff product family accounts for 85% of the Group's total sales for the first nine months, compared with 79% for the corresponding period last year. Sales of Powder Ingredient, used by pet food producers, have doubled compared to the first nine months of 2018.

During YTD 2019 and YTD 2018 sales per product group were distributed according to the graphics.



PROFIT

Operating profit after depreciation and amortization (EBIT) amounted during the first nine months of 2019 to 30,331 KSEK (22,096 KSEK), corresponding to an operation margin of 32,7% (30,9%) – above the company's long-term profitability targets. Exchange rate fluctuations affected EBIT during the first nine months with an exchange gain of 1,273 KSEK.

The result has been affected with legal costs in connection with the acquisition of Biovet at a total of 280 KSEK, as well 1,069 KSEK for expenses related to the new subsidiary Swedencare Spain. Profit after tax amounted to 24,192 KSEK (17,578 KSEK) corresponding to a profit margin of 26,1% (24,5%).

Earnings per share during the first nine months 2019 amounted to 1,53 SEK (1,11 SEK) based on the number of outstanding shares (15,770,622) as of September 30th 2019.

CASH FLOW

Cash flow from operating activities amounted to 8,971 KSEK (6,936 KSEK) during the third quarter of 2019. Working capital was mainly affected by higher capital tied up in inventories, with the expanded product range and demand mainly in the USA.

During the third quarter of 2019, cash flow amounted to 946 KSEK (2,561 KSEK). Investments during the quarter consisted primarily of a manufacturing tool to increase the capacity of dental bone production and also the change of ERP system. Cash flow was also affected by final settlement of the acquisition loan of 6,750 KSEK. In connection with IFRS16, the amortization also increased.

During the first nine months 2019, cash flow from operating activities amounted to 24,740 KSEK (14,700 KSEK) and cash flow for the period was 11,595 KSEK (3,493 KSEK).

FINANCIAL POSITION

Swedencare's equity, as of September 30th 2019, amounted to 124,720 KSEK (92,738 KSEK), of which 811 KSEK (811 KSEK) was restricted equity.

Swedencare's cash amounted to 40,063 KSEK (27,657 KSEK) at September 30th 2019, at the same date the Group had interest-bearing long-term and short-term liabilities totaling 2,388 KSEK (14,447 KSEK). Since the remainder of the acquisition loan was settled during the quarter, none of the long-term and short-term interest-bearing liabilities refers to acquisition loan compared with 13,000 KSEK as of September 30th, 2018. Swedencare has a net cash which as of September 30th 2019, amounted to 37,675 KSEK (13,210 KSEK).

PERSONELL

On September 30th 2019, Swedencare had a total of 33 employees in Sweden (7), England (4), France (2), USA (6), Ireland (13) and Spain (1). The gender distribution is 52% women and 48% men. As of September 30th 2018, Swedencare had a total of 31 employees. The increase from the previous year is sales staff in the USA and Spain.

REVENUE BREAKDOWN

GROUP (KSEK)	Jan-Sep 2019	Jan-Sep 2018
<i>Products</i>		
PlaqueOff Powder	64 234	47 675
PlaqueOff Powder Ingredient	986	435
PlaqueOff Dental Bites	4 175	2 802
PlaqueOff Dental Bones	9 291	5 227
Equine Nutraceuticals	6 334	6 581
Small Animal Nutraceuticals	6 635	7 477
Other	1 031	1 162
Total	92 686	71 359
<i>Time of revenue recognition</i>		
The performance commitment is met over time	-	-
The performance commitment is met at a certain time	92 686	71 359
Total	92 686	71 359
<i>Geographic market</i>		
Sweden	3 919	3 029
Rest of Nordics	2 092	2 159
France	6 199	6 071
UK/Ireland	22 862	19 075
Rest of Europe	13 240	10 542
North America	26 768	17 081
Asia	16 855	11 450
Rest of the World	751	1 952
Total	92 686	71 359

WE ARE PRESENT WORLDWIDE

Today, our products are sold in approximately 50 countries and we have customers on all continents.

The Influencer campaign through The Dog Agency in the US during June-September has raised awareness of PlaqueOff! Google traffic has switched from Paid Search to a larger share of Organic Search and Direct. Furthermore, the campaign has increased sales in our own webshop by 167% compared to the period February-May earlier this year, and the proportion of transactions in the shop has increased by almost 130% during the same period.

In total, the campaign has generated over 500,000 impressions (impressions - likes - comments) where about 1000 people saved our brand / campaign in their memo archive on Instagram.

"Chile is a new market for us and highly interesting. Pet care is expected to see strong growth in the coming years. Our partner has received the import license for ProDen PlaqueOff® Powder and the first products were shipped in Q3. In September they received the same license for Dental Bites and products are planned for shipment during Q4."

-Andreas Lysander
Export Sales Manager

As part of the communicated strategy to get closer to e-commerce, the company entered into an agreement with Amazon Italy during the quarter. Previously, PlaqueOff has only been sold to veterinarians in Italy, but with Amazon, the accessibility to Italian pet owner increases.



amazon.it



SWEDENCARE

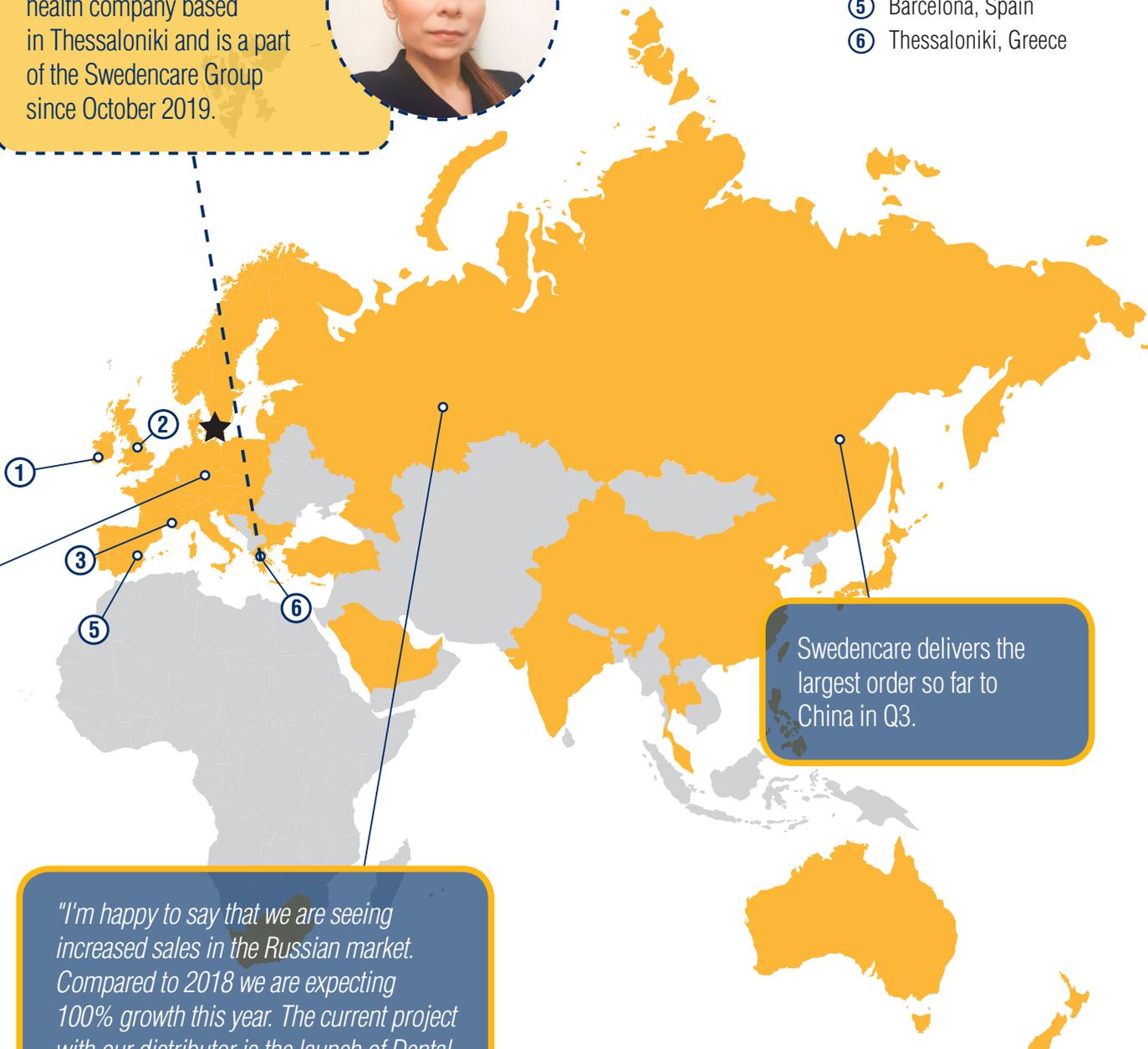
Ioanna Phychogiou – MD, Biovet

We welcome Ioanna Phychogiou, MD of Biovet, to the Swedencare Group. Biovet is a reputable animal health company based in Thessaloniki and is a part of the Swedencare Group since October 2019.



Offices

- ★ Malmö, Sweden - **Head office**
- ① Waterford, Ireland
- ② Leeds, UK
- ③ Purget-sur-Argens, France
- ④ Poulsbo, Washington, USA
- ⑤ Barcelona, Spain
- ⑥ Thessaloniki, Greece



Swedencare delivers the largest order so far to China in Q3.

"I'm happy to say that we are seeing increased sales in the Russian market. Compared to 2018 we are expecting 100% growth this year. The current project with our distributor is the launch of Dental bites and getting our products listed on a new major online store."

-Andreas Lysander
Export Sales Manager

● Our precense

STOCK

	30 Sep 2019	30 Sep 2018	30 Sep 2017	30 Sep 2016
Number of shares at the end of the period	15 770 622	15 770 622	15 770 622	15 575 500
Share price at the end of the period	72,0	60,0	23,8	28,1

SHAREHOLDERS (the table summarizes Swedencare´s owner structure as of September 30th 2019).

	NUMBER OF SHARES	OWERSHIP
Håkan Svanberg & Co Health Care AB	4 690 982	29,75%
Mastan AB (<i>Håkan Lagerberg through company</i>)	1 590 362	10,08%
JCC Group Invest Sweden AB (<i>Johan Bergdahl through company</i>)	1 552 351	9,84%
DNCA Investments	1 276 271	8,09%
AMF Aktiefond Småbolag	755 000	4,79%
SHB Fonder	574 589	3,64%
Aktia Nordic Micro Cap	496 614	3,15%
Nordnet Pensionsförsäkring AB	378 907	2,40%
Martin Shimko - MD Swedencare USA	300 000	1,90%
Investment AB Spiltan	300 000	1,90%
Avanza	230 020	1,46%
ML, Pierce Fenner & Smith Inc.	222 173	1,41%
Hans Persson - MD Swedencare Frankrike	199 750	1,27%
Enter Småbolagsfond	195 000	1,24%
Tedcap AB (<i>Thomas Eklund through company</i>)	190 000	1,20%
Grandeur, Fund BBHBOS	185 582	1,18%
Jonas Pålsson	169 329	1,07%
Aktia Secura	160 000	1,01%
COGEFI	131 570	0,83%
Per Malmström Consulting AB	123 000	0,78%
Others	2 049 122	12,99%
Total	15 770 622	100,00%
Free Float*	7 623 927	48,34%

Holdings include related parties

* Shares not owned by board members, their close related or shareholders with more than 10%

FINANCIAL OVERVIEW

CONSOLIDATED PROFIT AND LOSS (KSEK)

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net revenue	31 759	24 005	92 686	71 359	99 136
Other revenue	9	60	101	248	253
Total revenue	31 768	24 065	92 787	71 607	99 389
Cost of sales	-8 361	-5 677	-24 239	-18 753	-25 615
Gross margin	23 407	18 388	68 548	52 854	73 774
Other external costs	-5 505	-4 250	-17 034	-14 052	-20 538
Personnel costs	-6 591	-5 296	-20 228	-16 775	-23 525
EBITDA	11 311	8 842	31 286	22 027	29 711
Depreciation and amortization	-792	-200	-2 228	-748	-1 126
Other costs*	476	22	1 273	817	843
EBIT	10 995	8 664	30 331	22 096	29 428
Financial costs	-35	-69	-188	-268	-339
Result after financial costs	10 960	8 595	30 143	21 828	29 089
Net income before tax	10 960	8 595	30 143	21 828	29 089
Tax on profit	-2 085	-1 634	-5 951	-4 250	-5 769
Net income	8 875	6 961	24 192	17 578	23 320

* Includes exchange rate differences

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KSEK)

Net income	8 875	6 961	24 192	17 578	23 320
Exchangedifference foreign subs.	960	-369	2 259	959	746
Total result	9 835	6 592	26 451	18 537	24 066
Attributable to shareholders of parent company	9 835	6 592	26 451	18 537	24 066

CONSOLIDATED BALANCE SHEET (KSEK)

	30 Sep 2019	31 Dec 2018	30 Sep 2018
ASSETS			
Non current assets			
<i>Intangible assets</i>			
Goodwill	49 848	49 848	49 848
Other intangible assets	161	311	361
<i>Tangible assets</i>			
Buildings and land	8 480	7 854	6 219
Machinery and other tech assets	5 961	2 957	2 736
Tools, furnitures and fixtures	2 332	1 291	1 153
<i>Financial assets</i>			
Other financial assets	62	32	31
Deferred tax asset	968	609	652
Total non current assets	67 812	62 902	61 000
Current assets			
Inventory	13 858	9 740	9 658
Accounts receivable	20 986	14 415	14 719
Other receivable	351	1 194	194
Prepaid costs and deferred revenue	1 760	1 180	2 193
Cash	40 063	28 435	27 657
Total current assets	77 018	54 964	54 421
TOTAL ASSETS	144 830	117 866	115 421

EQUITY AND LIABILITIES

Equity			
Share capital	789	789	789
Reserves	22	22	22
Retained earnings incl. NI	123 909	97 458	91 927
Total equity	124 720	98 269	92 738
Long term liabilities			
Debt to credit institutions	-	1 000	5 000
Other long term liabilities	2 388	1 376	1 447
Short term liabilities			
Debt to credit institutions	-	8 000	8 000
Accounts payable	6 982	3 248	3 367
Tax liabilities	2 642	788	128
Other liabilities	4 588	2 968	2 855
Deferred costs and prepaid income	3 510	2 217	1 886
Total liabilities	20 110	19 597	22 683
TOTAL EQUITY AND LIABILITIES	144 830	117 866	115 421

CONSOLIDATED CASH FLOW STATEMENT (KSEK)

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Operating income after financial costs	10 960	8 595	30 143	21 828	29 089
Depreciation	792	200	2 228	748	1 082
Paid tax	-1 624	-1 498	-4 457	-4 958	-5 774
Change in working capital	-1 157	-361	-3 174	-2 918	-2 446
Cash flow from operating activities	8 971	6 936	24 740	14 700	21 951
<i>Investment activities excl. leasing</i>					
Purchases of buildings	-6	-2 083	-408	-6 221	-7 867
Purchases of machines	-187	-103	-1 120	-460	-637
Purchases of tools, furnitures and fixtures	-650	-153	-1 337	-337	-889
Cash flow from investments	8 128	4 597	21 875	7 682	12 558
<i>Financial activities</i>					
Amortization on interest-bearing loan	-6 750	-2 000	-9 000	-4 000	-8 000
Amortization on lease	-432	-36	-1 280	-189	-272
Cash flow for the period	946	2 561	11 595	3 493	4 286
Cash balance at beginning of period	39 076	24 972	28 435	24 077	24 077
Exchange difference in cash	41	123	33	87	72
Cash balance at end of period	40 063	27 657	40 063	27 657	28 435

CONSOLIDATED CHANGE OF EQUITY (KSEK)

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Beginning balance	114 885	86 146	98 269	74 203	74 203
Total result	9 835	6 592	26 451	18 535	24 066
Ending balance	124 720	92 738	124 720	92 738	98 269

CONSOLIDATED KPI'S (KSEK)

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Net Revenue	31 759	24 005	92 686	71 359	99 136
Total Revenue	31 768	24 065	92 787	71 607	99 389
EBIT	10 995	8 664	30 331	22 096	29 428
Net Income	8 875	6 961	24 192	17 578	23 320
Balance Sheet Total	144 830	115 421	144 830	115 421	117 866
Equity	124 720	92 738	124 720	92 738	98 269
Change of Revenue (%)	32,0%	11,4%	29,6%	13,9%	16,0%
Gross Margin (%)	73,7%	76,4%	73,9%	73,8%	74,2%
EBIT-margin (%)	34,6%	36,0%	32,7%	30,9%	29,6%
Net Income margin (%)	27,9%	28,9%	26,1%	24,5%	23,5%
Solvency (%)	86,1%	80,3%	86,1%	80,3%	83,4%
Interest-bearing netdebt	-37 675	-13 210	-37 675	-13 210	-18 059
Cash	40 063	27 657	40 063	27 657	28 435
Outstanding Shares	15 770 622	15 770 622	15 770 622	15 770 622	15 770 622
Average outstanding shares	15 770 622	15 770 622	15 770 622	15 770 622	15 770 622
Earnings per share (SEK)	0,56	0,44	1,53	1,11	1,48
Equity per share (SEK)	7,91	5,88	7,91	5,88	6,23

DEFINITION OF KPI'S

Net revenue

The main revenue of the Company

EBIT

Operating profit

Interest-bearing netdebt

Interest-bearing debt including leasing minus cash

Change of revenue (%)

Total revenue in relation to the previous corresponding period

EBIT-margin (%)

Operating profit before fin. costs and taxes as a percentage of total revenue

Earnings per share

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

Gross profit

Sales revenue minus costs for raw materials and components

Net income margin (%)

Profit after tax as a percentage of total revenue

Equity per share

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

Gross margin (%)

Gross profit as a percentage of total revenue

Solvency (%)

Equity (equity and untaxed reserves minus deduction for deferred tax) calculated as a percentage of total assets

EBITDA

Operating profit before depreciation and other operating expenses

OTHER INFORMATION

RISK FACTORS

The Board of Directors and the Managing Director ensure that the interim 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 take into account risk factors in addition to potential sales and profit growth. Swedencare's operations are affected by a number of 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 interim report has been prepared in accordance with IAS 34, Interim Financial Reporting for the Group. The Parent Company applies the ÅRL and RFR 2 Accounting in Legal Entity. The same consolidation principles, as well as accounting and evaluation principles have been used as in the latest Annual report. Since 2019 the group applies IFRS 16 Leasing which includes rental and car lease agreements in the balance sheet. This does not have a material impact on the result.

IFRS 16 LEASES

As of January 1, 2019, the Group applies the new standard IFRS 16 Leases. IFRS 16 introduces a single accounting method for leasing agreements, which means that the Group's lease agreements for premises and cars which have previously been classified as operating leases according to IAS 17 are reported in the balance sheet as an asset in the form of a right of use and leasing debt.

The Group has chosen to apply the relief principles as immaterial leases and agreements that run for shorter periods than 12 months from the transition date are not included. The Group has chosen to apply partial retroactivity where comparative years are not recalculated and the accumulated effect is reported as an adjustment of the opening equity at the first application date.

RELATED PARTY TRANSACTIONS

There have been no transactions with related parties during the third quarter.

BOARD OF DIRECTORS

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

MALMÖ OCTOBER 24TH 2019



Per Malmström
Board Chairman



Håkan Svanberg
Board Member



Johan Bergdahl
Board Member



Thomas Eklund
Board Member



Håkan Lagerberg
CEO and Board Member



Sara Brandt
Board Member

AUDITOR'S REVIEW

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

FUTURE REPORTING SCHEDULE

Year end report 2019
Interim report Q1 2020
Interim report Q2 2020
Interim report Q3 2020

13th of February 2020
23rd of April 2020
24th of July 2020
22nd of October 2020

CONTACT

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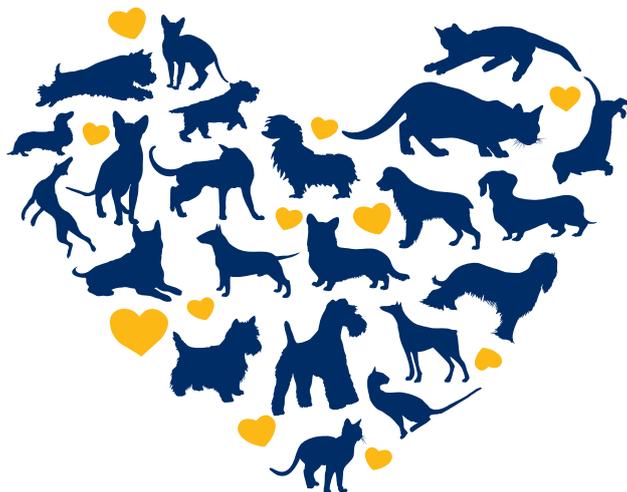
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