

# INTERIM REPORT Q1

January-March

# 2020



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



**SWEDENCARE**

*\* Note: The English version is a non-official translation of the original Swedish report.*





# 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 revenue 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.



# INCREASED MARKET INVESTMENTS RESULT IN RECORD SALES

## SUMMARY OF THE PERIOD

### FIRST QUARTER: JANUARY 1<sup>ST</sup> – MARCH 31<sup>ST</sup> 2020

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

- Net revenue amounted to 37 726 KSEK (30 551 KSEK), an increase of 23%
- The organic, currency-adjusted growth amounted to 15%
- Operating profit before depreciation (EBITDA) amounted to 10 430 KSEK (10 816 KSEK), corresponding to a decrease of 4% and an EBITDA-margin of 27,6% (35,4%)
- Operating profit after depreciation (EBIT) amounted to 10 714 KSEK (10 679 KSEK), corresponding to an EBIT-margin of 28,3% (34,9%)
- Profit after tax amounted to 8 441 KSEK (8 508 KSEK)
- Earnings per share calculated on 15 801 980 shares 0,53 SEK (0,54 SEK)
- As of March 31<sup>st</sup> 2020, cash amounted to 44 092 KSEK (35 252 KSEK)

### SIGNIFICANT EVENTS DURING THE FIRST QUARTER

After the end of the reporting period, the Covid-19 pandemic broke out. Swedencare monitors developments closely with our distributors and evaluates the extent to which this may affect the company's operations in the short and long term. We expect that the underlying demand for our products will not decrease due to the Covid-19 pandemic, but we do expect some time delays of orders from our distributors as they, in turn, are affected by reduced store visits as well as limitations due to logistics. At present, it is impossible to give any forward-looking assessments to what extent this could possibly affect operations in the following quarters.

### SIGNIFICANT EVENTS AFTER THE FIRST QUARTER

There are no significant events after the end of the first quarter to comment except what is described above regarding the impact due to the covid-19 pandemic.

# WORDS FROM THE CEO

Society today looks completely different from when we were, only a quarter ago, excitingly opened in 2020. No one is left unaffected by the covid-19 situation but despite the challenges we have delivered a quarter with a revenue increase of 23% and an EBIT margin in line with our goals. In addition, we have several exciting projects and collaborations both to rejoice and to look forward to.

As I mentioned in the year-end report, we expected that covid-19 would affect us with a time delay in ordering from some markets. This time lag was confirmed when China, that was hit first, basically closed all physical trading in March month. The increased investment in online sales was affected at the same time of both delivery and logistics problems. Our Chinese distributor usually place one order per quarter, this time however, the order was not received during Q1. The Chinese market has now got started again and we will during Q2 deliver a large order. Our distributor recently reported that they, despite challenges during Q1, managed to reach the same revenue during the quarter as the corresponding period last year.

In Europe, the United States and the rest of Asia, the covid-19 pandemic has not had a major impact on sales or earnings during Q1 though there have been limitations with transportation and logistics and activities have been canceled or postponed. Our suppliers and their factories has continued to produce according to plan.

With significantly lower traffic and demand in stores our distributors expect that their replenished inventory, after the deliveries in Q1, is likely to last longer, which then is expected to affect orders to us in Q2 and possibly the following quarters - to what extent, however, it is difficult to forecast today. We continue to have a close dialogue with our distributors around the world to support them and we contribute, among other things, with extra marketing materials and campaigns.

Although we expect a temporary decline in orders from some distributors, we still see a strong long-term growth in demand as the pet market continues to grow. On the one hand, the number of new pets is increasing on almost all markets and on the other hand the increased working from home results in that "Pet Parents" spend extra time with their dogs and cats - the four-legged family members have become even more important.

Despite the lack of sales to China, which is our largest external market, the Rest of Asia accounted for 14% of the total sales for the quarter. The main contributor was Korea, which more than doubled their sales compared to the same period last year, this after a larger order which also included our new Mini Dental Bones.



Our agreement with Amazon that was concluded last fall has had a strong positive impact in Q1. In the UK, sales to Amazon doubled compared to the same period last year, when sales to Amazon went through a wholesaler. The cooperation has several advantages, for example, we have full control over the delivery and how our brands are presented and displayed on the platform. If the sales during the quarter has been positively affected by the fulfillment of Amazon's warehouses and/or the covid-19 situation one can only speculate on, but online sales have increased significantly over a longer period and the trend is expected to continue. We are therefore expanding our efforts online, in the short term to meet the restriction in physical commerce and partly in the long term to reach more customer groups. In the longer perspective, the changed short-term shopping behavior, due to the covid-19 situation might results in increased shopping online, even when the crisis is over.

Our food project with Canagan continues successfully and their dental pet food is now available in 25 markets including Russia, Japan and Germany. I can happily report that we are now taking another step to develop this product group by entering into an exclusive agreement this quarter with a petfood producer for the Brazilian market, the largest market in the world after the United States, for petfood. I look forward to presenting more details about this in the next report. We continue to launch our popular Dental Bones on more markets and in the past quarter sales were 60% higher than during the corresponding quarter 2019.

We deliver an EBIT of 10.7 million SEK, corresponding to a margin of 28.3%, which is in line with our long-term goal. Our increased marketing efforts produce results while at the same time, the investment entails increased costs partly through cooperation with Amazon and partly through the marketing and introductory campaigns that was carried out in new retail chains in the USA in the beginning of Q1. EBIT was also affected positive by a weaker Swedish currency during the quarter.

We have all experienced how quickly everyday life can change and we all share the desires to be able to return to normal mode as soon as possible. Until then, we do our best to influence the situation of our customers and partners.

Take care of yourself,

*Jenny Graflind, CEO  
Malmö April 21<sup>st</sup> 2020*

## KPI'S Q1 2020

Net revenue  
**37 726 KSEK**

Change in  
net revenue  
**23%**

EBIT  
**10 714 KSEK**  
EBIT-margin  
**28,3%**

Solvency  
**88,6%**

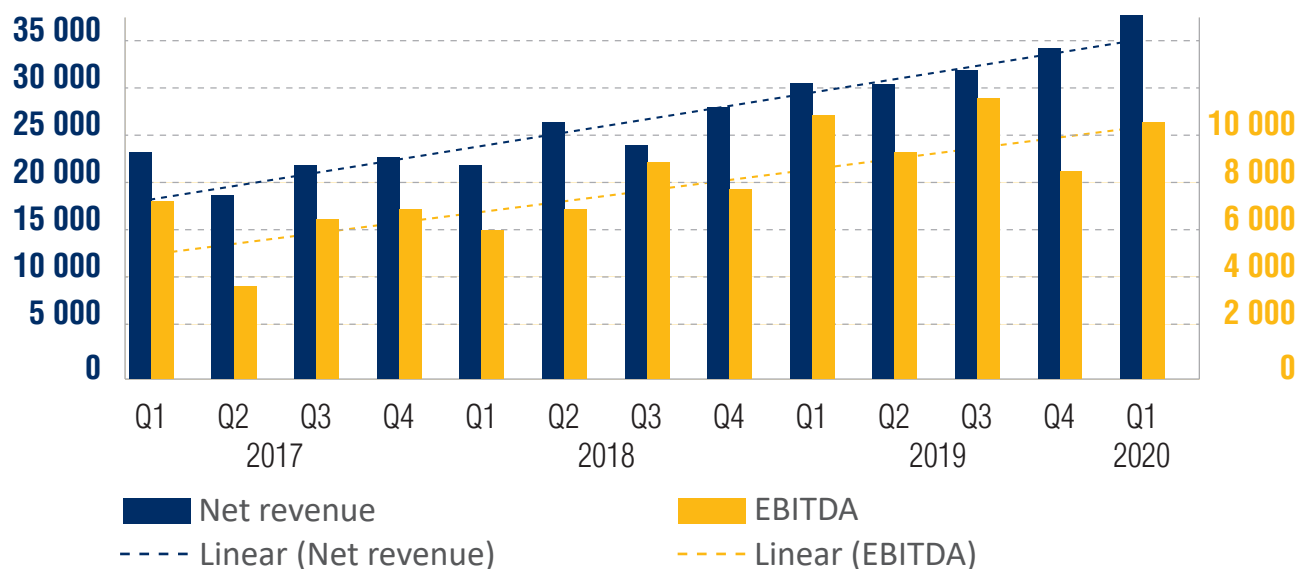
Earnings per share  
**0,53 SEK**

Cash  
**44 092 KSEK**

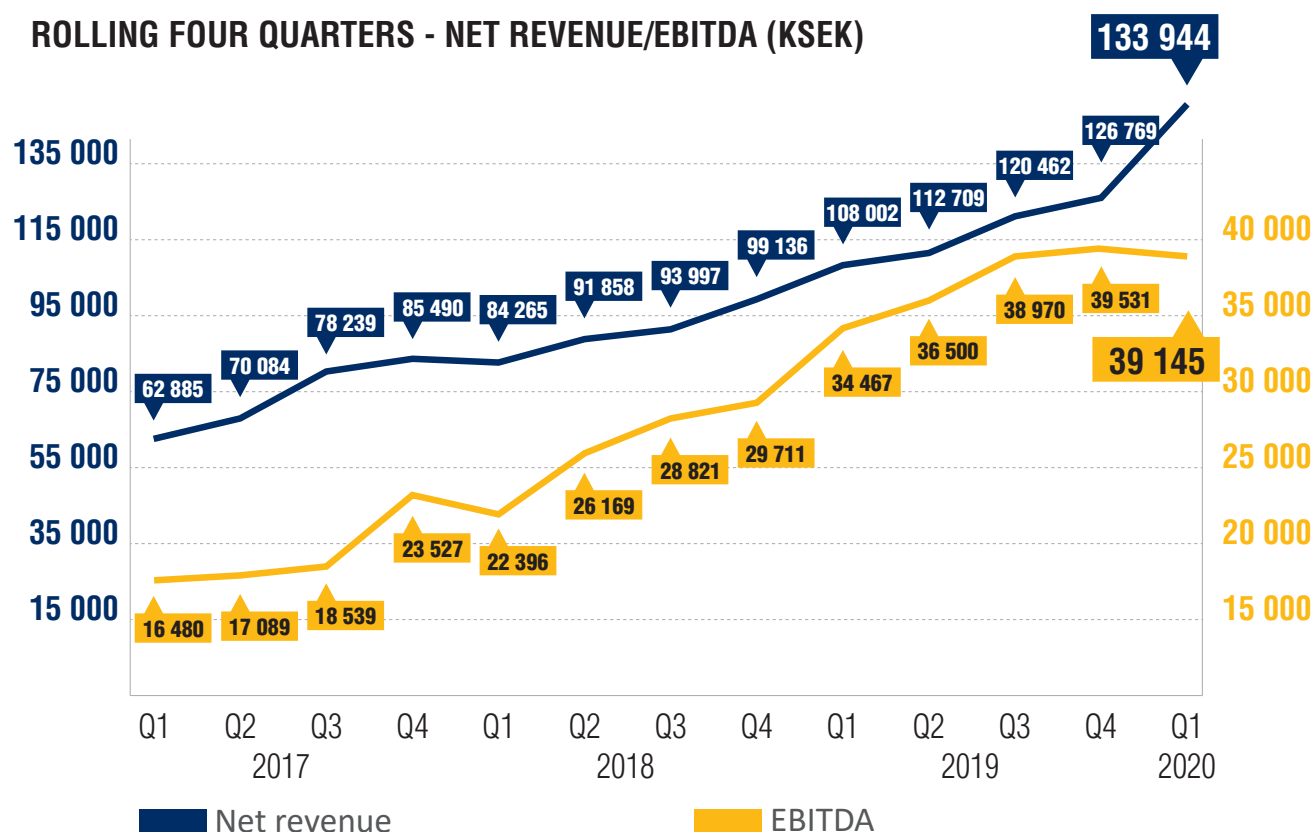


# DEVELOPMENT

## 2017-2020 QUARTERLY HISTORY OF REVENUE AND EBITDA (KSEK)



## ROLLING FOUR QUARTERS - NET REVENUE/EBITDA (KSEK)



Additional KPI's and definitions can be found on page 17.

Note that EBITDA in **QUARTERLY HISTORY** and in **ROLLING FOUR QUARTERS** during 2017 is calculated according to K3 however, the difference between accounting principles at EBITDA level is not significant.

# COMMENTS ON THE FINANCIAL DEVELOPMENT

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

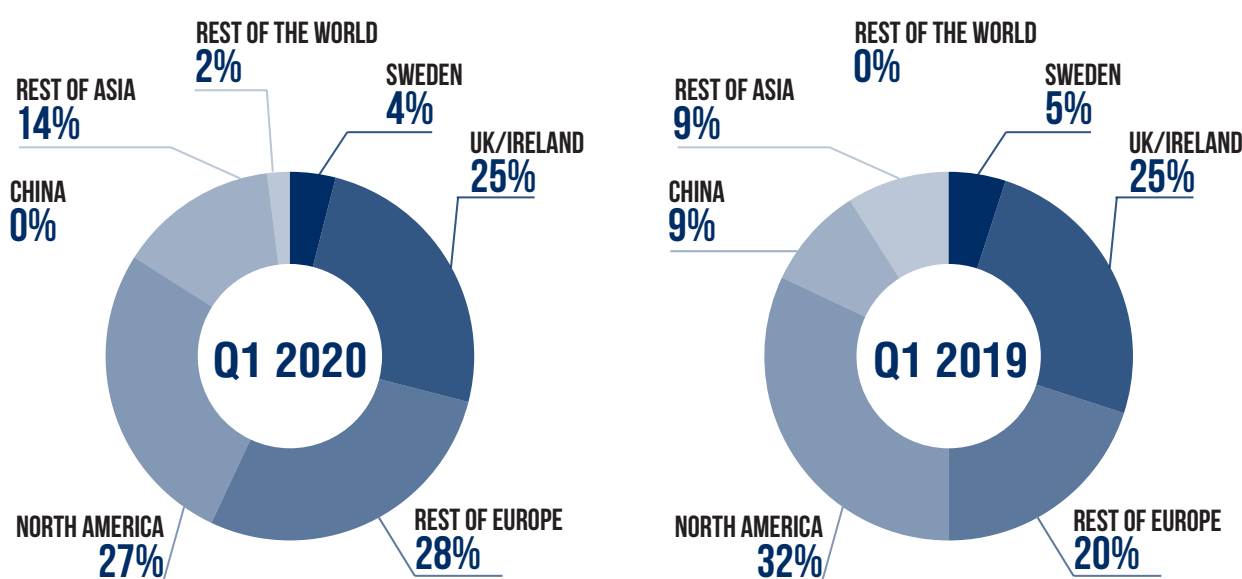
## NET REVENUE

Swedencare started the year with another quarter with sales records. Net sales increased by 23% to 37 726 KSEK. During the first three months of the year, almost all markets continue to grow, with the highest growth rates being noted in Rest of Europe and Rest of Asia. The organic currency-adjusted growth was 15% in the first quarter.

## GEOGRAPHIC DISTRIBUTION

Dispite the lack of sales to China due to the covid-19 pandemic, sales in the Rest of Asia doubled compared to the corresponding period last year with Korea as the largest market during the quarter. In Korea, all products in the ProDen PlaqueOff® product line have been marketed since Q1 2020. North America notes sales growth of 5% during Q1, a growth that should be seen in the light of last year's record sales in the corresponding quarter. In the Rest of Europe it was inpartuclar France and the UK which experienced good sales growth during the quarter. In the UK, the main contributing factor is the direct agreement with Amazon.

During Q1 2020 and Q1 2019, the geographical sales were distributed according to the graphics.



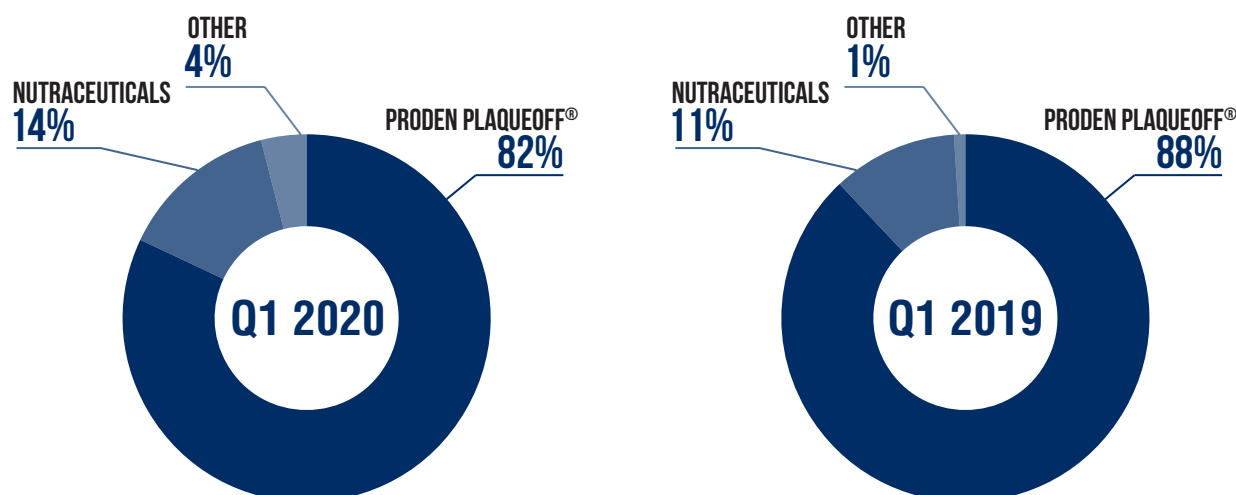
## PRODUCT DISTRIBUTION

Both ProDen PlaqueOff® and NutriScience® product families experienced strong growth during the quarter. Sales of "Equine" products for horses and "Small animal" products for dogs and cats increased by 86% and 33%, respectively, compared to the corresponding period last year. During the quarter, two new flavors, Dental Bites Chicken and Dental Bites Salmon, were launched in North America.

In Korea, Dental Bones continues to be a success after its launch in autumn 2019. During Q1, sales to Korea were more than twice as high as last year, mainly driven by the success of Dental Bones.

The strong growth in our product group Other is attributed to the subsidiary Biovet, which also has equipment for veterinarians in its product portfolio. The positive sales trend for Powder Ingredient, which relates to pet food collaborations, continued in 2020. This product group has increased by 79% compared to the corresponding period last year.

During Q1 2020 and Q1 2019 sales per product family were distributed according to the graphics.



## PROFIT

Operating profit after depreciation and amortization (EBIT) for the first quarter 2020 amounted to 10 714 KSEK (10 679 KSEK), corresponding to an operating margin of 28,3% (34,9%). The gross margin was 71,3% during the quarter, this was affected by the high sales of Dental Bones, a product with a slightly lower margin.

The increased cooperation with Amazon and marketing and introduction campaigns together with new retail chains in the US during Q1 2020 are both evidence of the market initiative we initiated in the fall of 2019. The investments involve increased external costs while building volume and increased awareness of our products with new customer groups. Our market investment also has an impact on the personnel costs, although most of the increase is explained by the establishments in Greece and Spain. A week currency at the beginning of the year affected EBIT during Q1 with a profit of 1 128 KSEK.

Profit after tax for the first quarter of 2020 amounted to 8 441 KSEK (8 508 KSEK) corresponding to a profit margin of 22,3% (27,8%).

Earnings per share during the first quarter 2020 amounted to 0,53 SEK (0,54 SEK), based on the number of outstanding shares (15 801 980) as of March 31<sup>st</sup>, 2020.



## CASH FLOW

Cash flow from operating activities after changes in working capital amounted to -1 104 KSEK (8 467 KSEK) during the first quarter 2020. Increased working capital had a negative impact on cash flow as capital tied up in accounts receivable increased significantly during the quarter. This is partly due to higher sales during the month of March and partly due to longer credit times to Amazon. No accounts receivable are considered uncertain.

During the first quarter of 2020, cash flow amounted to -1 645 KSEK (6 810 KSEK).

## FINANCIAL POSITION

Swedencare's equity, as of March 31<sup>st</sup> 2020 amounted to 142 373 KSEK (107 962 KSEK), of which 812 KSEK (811 KSEK) was restricted equity.

Swedencare's cash amounted to 44 092 KSEK (35 252 KSEK) at March 31<sup>st</sup> 2020, at the same date the Group had interest-bearing long-term and short-term liabilities totaling 1 926 KSEK (11 711 KSEK). As of March 31<sup>st</sup> 2020, Swedencare had a net cash balance of 42 166 KSEK (23 541 KSEK).

## PERSONNEL

On March 31<sup>st</sup> 2020, Swedencare had a total of 43 employees in Sweden (7), England (4), France (2), USA (6), Ireland (14), Spain (1) and Greece (9). The gender distribution is 49% men and 51% women.

As of March 31<sup>st</sup> 2019, Swedencare had a total of 31 employees.

## RISK FACTORS

The Board of Directors and the Managing Director ensure that the yearend report gives a true and fair view of the Group'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 Group's earnings and financial position to varying degrees. For a description of Swedencare's risks, reference is made to the Parent Company's Annual Report.

## ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34. Same principles have been applied as per the last 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.

## RELATED PARTY TRANSACTIONS

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

# WE ARE PRESENT **WORLDWIDE**

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

*"SwedencareUSA started off the year with the continuation of the Mini Bone launch.*

*The smaller sizes are suitable for the many pet owners with small dogs, who more often suffer from dental and oral health issues. The Proden PlaqueOff® Vegetable and Blueberry Mini Dental Bones are especially liked by our dog customers.*

*Despite the first hints of the covid-19 in the US, we attended Global Pet Expo and had a solid show, affirming ongoing business and opening up new business in several areas.*

*SwedencareUSA also launched two new Proden PlaqueOff® Dental Bite flavors, Chicken for dogs and Salmon for cats. The retailers and distributors are very excited to have these new Proden PlaqueOff® products to add to their portfolio."*

- Martin Shimko  
MD - Swedencare USA



## **Faith Morris – Marketing - NutriScience**

Swedencare is delighted to welcome Faith to our team. She will assist in the co-ordination of marketing strategies for NutriScience Equine and Companion Animal ranges. Faith has a strong background in marketing within the animal health sector. Her previous experience was gained through Bimeda, a global veterinary pharmaceutical company and Glanbia, one of the largest co-operative companies in Ireland. Her knowledge and experience within the Equine and Small Animal sectors will be a great asset going forward. Faith lives in Waterford with her 2 dogs and 5 horses!



## **Amazon**

The partnership between Amazon & Swedencare produced successful promotions for "Pet Dental Month" in February. Sales of PlaqueOff continue to grow, with the online retailer posting record sales in Q1.

- John Leonard  
MD - Swedencare UK

## **Crufts 2020**

The Swedencare UK team exhibited Crufts 2020 in March just before the covid-19 pandemic forced the postponement & closure of most exhibitions. The expo, covering 5 halls at the National Exhibition Centre in Birmingham, UK, certainly lived up to its billing of "The World's largest dogshow". The 4-day show has been a regular fixture in the exhibition calendar for Swedencare since the launch of PlaqueOff. Visitor numbers were down slightly versus last year, however that didn't affect new & existing users from visiting the Swedencare stand to find out more about the range of products and make a purchase. It also gave Swedencare the opportunity to meet with a growing army of PlaqueOff social media influencers.

- John Leonard  
MD - Swedencare UK





# SWEDENCARE

## 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

*"Sales of the NutriScience range of Swedencare products to its domestic and international customers grew compared to Q1 2019 with 56%. Strongest growth of the NutriScience brand came through Natural Horse Care in the outset of a pre-agreed 2020 strategy to increase product awareness primarily through German online platforms."*

- Padge Whelan  
European Sales Manager - NutriScience productline

### Sara Ahlström - Global Marketing Manager

Swedencare is happy to welcome Sara as our newly appointed Global Marketing Manager. With over 15 years' experience in leading positions as Brand- or Marketing Manager at the HQ of multinational FMCG-companies, Sara will be responsible for increased global awareness of our brands, with focus on ProDen PlaqueOff® product line. Sara has a profound knowledge and experience of building strong brands through developing and executing brand platforms, marketing strategies and effective communication concepts off- and online. She has successfully managed product portfolio and contributed to incremental top- and bottomline growth through new product development, innovations and renovations from idea to market launch. Sara lives in Bara.



*"Our Korean distributor effort to market the complete product line of ProDen PlaqueOff® have paid off and they had their biggest delivery in Q1. They are a great partner who is doing a mix of marketing activities for our brand to be recognized as a premium product from end-consumer to both vet- and pet shops."*

- Katarina Klein  
International Product Manager

*"During this period we have relaunched our range in Tiendanimal, a chain store with 70 stores in Spain together with their online shop that is one of the most visited by pets owners in the country. In addition, we have closed an agreement with Covetrus, one of the major wholesalers specialized in vet clinics and with a strong penetration in the market. First order was delivered in March and we are preparing a special coordinated promotion for Dental Month in May. These two agreements have reinforced our presence in the market and we look forward to the results in the following months."*

- Raquel Tosca  
Country Manager - Swedencare Spain

● Our presence

# REVENUE BREAKDOWN

GROUP (KSEK)	Jan-Mar 2020	Jan-Mar 2019	Change %
<b><i>Product areas</i></b>			
ProDen PlaqueOff®	30 818	26 989	14%
Nutraceuticals	5 231	3 353	56%
Other	1 677	209	702%
<b>Total</b>	<b>37 726</b>	<b>30 551</b>	<b>23%</b>
<b><i>Time of revenue recognition</i></b>			
The performance commitment is met over time	-	-	-
The performance commitment is met at a certain time	37 726	30 551	23%
<b>Total</b>	<b>37 726</b>	<b>30 551</b>	<b>23%</b>
<b><i>Geografic market</i></b>			
Sweden	1 470	1 408	4%
UK/Ireland	9 507	7 512	27%
Rest of Europe	10 379	6 145	69%
North America	10 334	9 866	5%
China	38	2 848	-99%
Rest of Asia	5 201	2 670	95%
Rest of the World	797	102	681%
<b>Total</b>	<b>37 726</b>	<b>30 551</b>	<b>23%</b>



# STOCK

	31 Mar 2020	31 Mar 2019	31 Mar 2018	30 Mar 2017
Number of shares at the end of the period	15 801 980	15 770 622	15 770 622	15 770 622
Share price at the end of the period	76,0	53,0	34,0	24,5

**SHAREHOLDERS** (the table summarizes Swedencare's owner structure as of March 31<sup>st</sup> 2020).

	NUMBER OF SHARES	OWNERSHIP
Håkan Svanberg & Co Health Care AB	4 631 455	29,31%
JCC Group Invest Sweden AB ( <i>Johan Bergdahl through company</i> )	1 517 351	9,60%
DNCA Investments	1 427 299	9,03%
Mastan AB ( <i>Håkan Lagerberg through company</i> )	1 110 362	7,03%
AMF Aktiefond Småbolag	755 000	4,78%
SEB Nanocap	538 485	3,41%
SHB Fonder	500 000	3,16%
Aktia Nordic Micro Cap	329 396	2,08%
Martin Shimko - MD Swedencare USA	300 000	1,90%
Investment AB Spiltan	300 000	1,90%
Cbny - Mkpague Nab Acf Pie Growth UK	250 000	1,58%
Nordnet Pensionsförsäkring AB	237 583	1,50%
ML, Pierce Fenner & Smith Inc.	222 173	1,41%
Hans Persson - MD Swedencare Frankrike	199 750	1,26%
Enter Småbolagsfond	195 000	1,23%
Tedcap AB ( <i>Thomas Eklund through company</i> )	190 000	1,20%
Grandeur, Fund BBHBOS	170 982	1,08%
Avanza	149 136	0,94%
<b>BFCM P/C BFCM Sweden Retail LT - NEW</b>	<b>146 741</b>	<b>0,93%</b>
Per Malmström Consulting AB	123 000	0,78%
COGEFI	113 391	0,72%
Cbny - Mkjgro Nab Acf Juno Kiwisaver	110 000	0,70%
Aktia Secura	108 873	0,69%
Other	2 176 003	13,77%
<b>Total</b>	<b>15 801 980</b>	<b>100,00%</b>
Free Float*	8 194 812	51,86%

Holdings include related parties

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

# FINANCIAL OVERVIEW

## CONSOLIDATED PROFIT AND LOSS (KSEK)

	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Net revenue	37 726	30 551	126 769
Other revenue	125	6	105
<b>Total revenue</b>	<b>37 851</b>	<b>30 557</b>	<b>126 874</b>
Cost of sales	-10 849	-7 272	-33 823
<b>Gross margin</b>	<b>27 002</b>	<b>23 285</b>	<b>93 051</b>
Other external costs	-8 703	-5 845	-25 190
Costs for employee compensations	-7 869	-6 624	-28 330
<b>EBITDA</b>	<b>10 430</b>	<b>10 816</b>	<b>39 531</b>
Depreciation and amortization	-844	-709	-3 158
Other costs*	1 128	572	541
<b>EBIT</b>	<b>10 714</b>	<b>10 679</b>	<b>36 914</b>
Financial costs	-24	-82	-224
<b>Profit after financial costs</b>	<b>10 690</b>	<b>10 597</b>	<b>36 690</b>
<b>Net income before tax</b>	<b>10 690</b>	<b>10 597</b>	<b>36 690</b>
Tax on profit	-2 249	-2 089	-6 777
<b>Net income</b>	<b>8 441</b>	<b>8 508</b>	<b>29 913</b>

\* Includes exchange rate differences

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KSEK)

Net income	8 441	8 508	29 913
Exchangedifference foreign subs.	272	1 185	998
<b>Total profit</b>	<b>8 713</b>	<b>9 693</b>	<b>30 911</b>

## CONSOLIDATED BALANCE SHEET (KSEK)

	31 Mar 2020	31 Dec 2019	31 Mar 2019
<b>ASSETS</b>			
<b>Non current assets</b>			
<i>Intangible assets</i>			
Goodwill	49 140	49 140	49 848
Other intangible assets	2 910	3 020	261
<i>Tangible assets</i>			
Buildings and land	8 758	8 204	8 291
Machinery and other tech assets	5 046	5 427	5 637
Tools, furnitures and fixtures	2 272	1 997	2 049
<i>Financial assets</i>			
Other financial assets	65	61	32
Deferred tax asset	1 229	994	698
<b>Total non current assets</b>	<b>69 420</b>	<b>68 843</b>	<b>66 816</b>
<b>Current assets</b>			
Inventory	16 385	15 295	11 081
Accounts receivable	28 718	17 433	18 122
Other receivable	444	876	-65
Prepaid costs and deferred revenue	1 604	1 263	1 796
Cash	44 092	45 737	35 252
<b>Total current assets</b>	<b>91 243</b>	<b>80 604</b>	<b>66 186</b>
<b>TOTAL ASSETS</b>	<b>160 663</b>	<b>149 447</b>	<b>133 002</b>

## EQUITY AND LIABILITIES

<b>Equity</b>			
Share capital	790	790	789
Reserves	22	22	22
Retained earnings incl. NI	141 561	130 516	107 151
<b>Total equity</b>	<b>142 373</b>	<b>131 328</b>	<b>107 962</b>
<b>Long term liabilities</b>			
Debt to credit institutions	-	-	1 000
Other long term liabilities	1 926	1 961	2 711
<b>Short term liabilities</b>			
Debt to credit institutions	-	-	8 000
Accounts payable	4 342	5 434	4 386
Tax liabilities	2 992	1 948	1 797
Other liabilities	6 216	5 379	4 866
Deferred costs and prepaid income	2 814	3 397	2 280
<b>Total liabilities</b>	<b>18 290</b>	<b>18 119</b>	<b>25 040</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>160 663</b>	<b>149 447</b>	<b>133 002</b>

## CONSOLIDATED CASH FLOW STATEMENT (KSEK)

	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Operating income after financial costs	10 690	10 597	36 690
Depreciation	844	709	3 159
Paid tax	-1 324	-1 169	-6 097
Change in working capital	-11 314	-1 670	-624
<b>Cash flow from operating activities</b>	<b>-1 104</b>	<b>8 467</b>	<b>33 128</b>
<i>Investment activities excl. leasing</i>			
Acquisitions	-	-	-1 926
Purchases of buildings	-88	-365	-397
Purchases of machines	-	-412	-1 143
Purchases of tools, furnitures and fixtures	-26	-457	-1 647
<b>Cash flow from investments</b>	<b>-1 218</b>	<b>7 233</b>	<b>28 015</b>
<i>Financial activities</i>			
Amortization on interest-bearing loan	-	-	-9 000
Amortization on lease	-427	-423	-1 774
<b>Cash flow for the period</b>	<b>-1 645</b>	<b>6 810</b>	<b>17 241</b>
Cash balance at beginning of period	45 737	28 435	28 435
Exchange difference in cash	-	7	61
<b>Cash balance at end of period</b>	<b>44 092</b>	<b>35 252</b>	<b>45 737</b>

## CONSOLIDATED CHANGE OF EQUITY (KSEK)

	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Beginning balance of equity	131 328	98 269	98 269
New emission	-	-	2 148
Other total profits	2 332	-	-
Total profits	8 713	9 693	30 911
<b>Ending balance of equity</b>	<b>142 373</b>	<b>107 962</b>	<b>131 328</b>



## CONSOLIDATED KPI'S (KSEK)

	Jan-Mar 2020	Jan-Mar 2019	Jan-Dec 2019
Net Revenue	37 726	30 551	126 769
Total Revenue	37 851	30 557	126 874
EBIT	10 714	10 679	36 914
Net Income	8 441	8 508	29 913
Balance Sheet Total	160 663	133 002	149 447
Equity	142 373	107 962	131 328
Change of Revenue (%)	23,9%	40,2%	27,7%
Gross Margin (%)	71,3%	76,2%	73,3%
EBIT-margin (%)	28,3%	34,9%	29,1%
Net Income margin (%)	22,3%	27,8%	23,6%
Solvency (%)	88,6%	81,2%	87,9%
Interest-bearing netdebt	-42 166	-23 541	-43 776
Cash	44 092	35 252	45 737
Outstanding Shares	15 801 980	15 770 622	15 801 980
Average outstanding shares	15 801 980	15 770 622	15 778 462
Earnings per share (SEK)	0,53	0,54	1,90
Equity per share (SEK)	9,01	6,85	8,31

## 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

## 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 APRIL 21<sup>ST</sup> 2020



Håkan Lagerberg  
*Board Member*



Per Malmström  
*Board Chairman*



Sara Brandt  
*Board Member*



Håkan Svanberg  
*Board Member*



Thomas Eklund  
*Board Member*

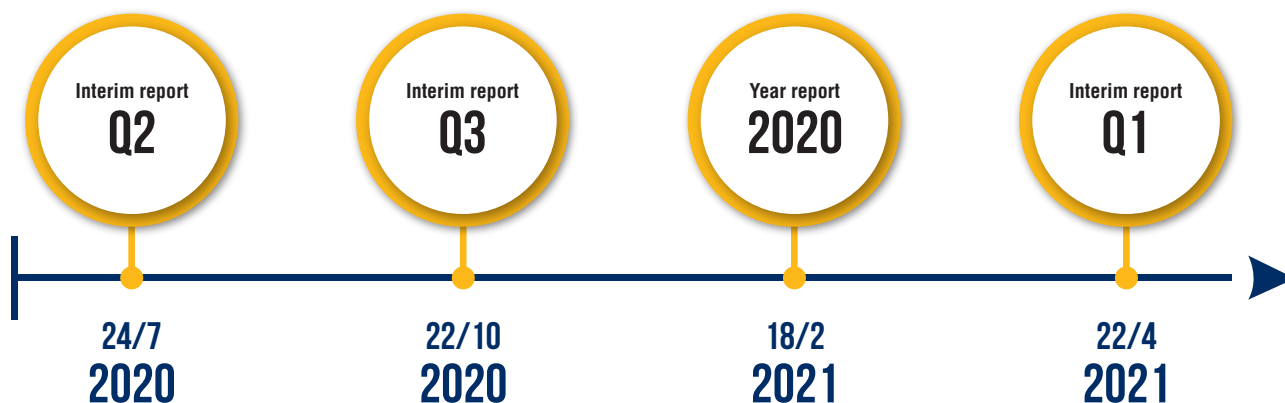


Johan Bergdahl  
*Board Member*

## AUDITOR'S REVIEW

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

## FUTURE REPORTING SCHEDULE



## CONTACT

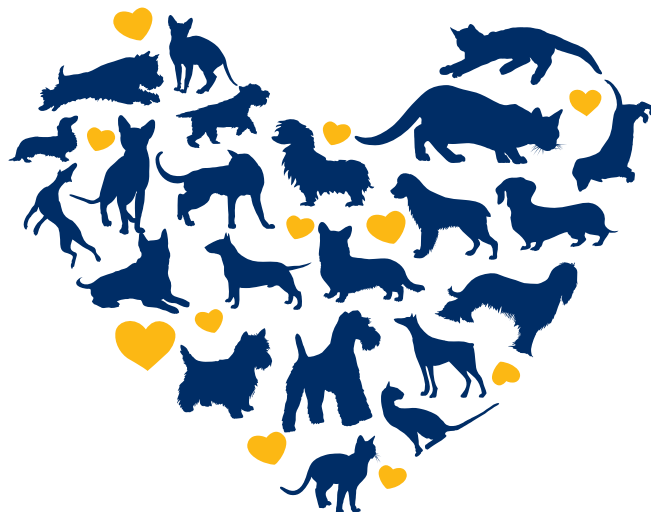
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