



HALF YEAR REPORT

April-June

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.



A QUARTER CHARACTERIZED BY A STRONG FINISH AND ACQUISITION

SUMMARY OF THE PERIOD

SECOND QUARTER: APRIL 1ST – JUNE 30TH 2020

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

- Net revenue amounted to 32 015 KSEK (30 376 KSEK), an increase of 5%
- Organic, currency-adjusted growth amounted to 0%
- Operating profit before depreciation (EBITDA) amounted to 7 424 KSEK (9 158 KSEK), corresponding to a decrease of 19% and an EBITDA-margin of 23,1% (30,1%)
- Operating profit after depreciation (EBIT) amounted to 5 671 KSEK (8 657 KSEK), corresponding to an EBIT-margin of 17,7% (28,4%), which includes an exchange rate loss of 920 KSEK
- Profit after tax amounted to 5 145 KSEK (6 809 KSEK)
- Earnings per share calculated on 15 990 881 shares 0,32 SEK (0,43 SEK)
- As of June 30th 2020, cash amounted to 175 795 KSEK (39 076 KSEK)
- Costs in connection with the acquisition of Stratford's operations amounted to 1 483 KSEK. Adjusted for this, EBITDA amounted to 8 907 KSEK, corresponding to an EBIT-margin of 27,7% and EBIT to 7 154 KSEK corresponding to an EBIT-margin of 22,3%

FIRST 6-MONTHS: JANUARI 1ST – JUNE 30TH 2020

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

- Net revenue amounted to 69 740 KSEK (60 926 KSEK), an increase of 14%
- Organic, currency-adjusted growth amounted to 8%
- Operating profit before depreciation (EBITDA) amounted to 17 853 KSEK (19 974 KSEK), corresponding to an decrease of 11% and an EBITDA-margin of 25,5% (32,7%)
- Operating profit after depreciation (EBIT) amounted to 16 385 KSEK (19 335 KSEK), and an EBIT-margin of 23,4% (31,7%)
- Profit after tax amounted to 13 586 KSEK (15 317 KSEK)
- Earnings per share calculated on 15 851 431 shares 0,86 SEK (0,97 SEK)
- Cash flow from operating activities amounted to 13 761 KSEK (15 769 KSEK)
- Foreign exchange gains amounted to 208 KSEK

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

Swedencare AB (publ) acquires operations from a leading American company in animal health care products.
Swedencare AB (publ) appoints Håkan Lagerberg as CEO after strategic acquisition.
Swedencare AB (publ) carries out a directed new issue of 1 500 000 shares and is thus provided with approximately 133 MSEK, which after issue costs of 4,6 MSEK gave a net contribution of 129 MSEK, to finance the American business acquisition.

SIGNIFICANT EVENTS AFTER THE SECOND QUARTER

Swedencare AB (publ) took, on July 1st, over the business acquired on June 24th.

WORDS FROM THE CEO

An eventful end to Q2 and a clear change in demand in the last month of the quarter.

The second quarter's net sales of 32 MSEK gave an increase of 5% compared to Q2 2019, while EBITDA decreased by 19% to 7,4 MSEK. Sales and earnings were affected by the Covid-19 pandemic and the profits also include approximately 1,5 MSEK in costs related to our acquisition of Stratford. Adjusted for acquisition costs, we reach an EBIT margin of 25,6% for the first half year, above our long-term goal despite a challenging environment. As the leader of a team or a company, you should be careful with concepts such as "satisfied", but I allow myself to be proud. Our cash flow from operating activities of 14,9 MSEK also shows that we are strong even in a tough environment.

As Jenny predicted in our Q1 report, the second quarter was heavily affected by Covid-19 in the form of quarantine, closed stores, and veterinary clinics to varying degrees worldwide. We therefore had a lot of time delays in orders and sales. The fact that we came in with a small increase in sales despite an April and May which were clearly affected and the uncertainty was significant is satisfying. Despite a continued large impact worldwide, we can see that our customers have recently become more active.

In the quarter, June accounted for over 40% of our sales and the sales from our subsidiaries show that the strong trend continues in July, which is why I look with confidence on the second half of 2020. Our external distributor markets will also be clearly stronger in the second half of the year, as both regular orders have been received and new products will be launched in important markets such as Japan, China, and South Korea.

In most markets, online shopping has increased strongly during the quarter as physical stores have had limited opening hours, and that there have been several restrictions for consumers to move around in the community. Our already largest customer in the US, Chewy.com, had a record quarter and accounted for over 30% of our sales in the US. Our increased market investments in the US have yielded results, we increased our sales by 28% compared to last year. It is still our powder product and the Dental Bones that are growing strongly. The UK is one of the most affected and shut down countries in Europe and there we have really seen a big change in terms of purchasing channel. During the quarter, Amazon UK continues to increase significantly, both for the reason of the expanded online initiatives and closed waiting rooms at the veterinary clinics.

As for other subsidiaries, we had record months in both Spain and Greece in June, which resulted in a quarter of increased sales in these markets. The Nordic region also closed strongly and increased its sales by almost 50% compared to last year.

Asia and Rest of the world were slightly weaker, but China is back, and we see that the second half of the year will be stronger in 2020 as we have reviewed both orders and forecasts. It feels like the world is waking up and trying to return to how it was before.

In addition to increased business operations, the final phase of the quarter was very intense for us. We resumed a discussion, which began several years ago, regarding the acquisition of Stratford Pharmaceuticals' operations in Tampa, Florida.



We managed to complete the deal on July 1st, an acquisition that changes the future of Swedencare, a so-called. "Game changer", in my opinion. With the acquisition, we will have a channel to cover 10,000 veterinary clinics, many of whom are not customers of ours today, and we will have a business and management team that will not only develop Stratford as a subsidiary but also contribute to Swedencare's growth worldwide.

Stratford also has an interesting product range that complements and expands our range in various parts, of which their dermatology products will be particularly interesting to launch in our distribution network worldwide. Finally, Stratford has built a unique process where they can deliver private label products to individual clinics that want their own label on their products. Without synergies and sales partnerships, as we see coming, Stratford also had an extraordinarily strong first half year with a large increase in sales and they, like us, can see that this continues in the third quarter. Therefore, their contribution to Swedencare will be clearly visible in our next quarterly report, which I am of course already looking forward to presenting!

To finance the deal and continue to have a strong financial base, we chose to carry out a directed new share issue to new and existing institutional owners. The interest was fantastic, and we welcome several new extremely reputable owners such as Robur, Berenberger and Consensus to name a few. The great interest gives us the confidence to continue to see how we can best make new steps to approach our goal of becoming the leading dietary supplement company in the world focused on pets.

In order to give the Stratford acquisition and any future acquisitions optimal conditions, the Board saw the need to strengthen the management resources.

The desire was to return to the team we had before. My experience in business development and organizational building comes in handy, and that we get Jenny back as CFO was the only requirement I had, the function naturally becomes even more important after Stratford was included. Jenny and I are a collaborative and complementary team and we both look forward to developing Swedencare even faster and better. Our investment in market and brand continues with force and Sara, our global marketing manager who started working with us in the beginning of the year, has started several large projects of which some will be presented in the autumn.

In conclusion, I want to repeat that I am looking forward to writing "Words from the CEO" in future reports as we have a lot going on both in our existing business and with our new acquisition in the US.

Best summer greetings,



*Håkan Lagerberg, CEO
Malmö July 24th 2020*

KPI'S Q2 2020

Net revenue
32 015 KSEK

Change in
net revenue
5%

OP. EBIT*
7 154 KSEK

EBIT-margin
22,3%

*operational EBIT adjusted
for acquisition cost

EBIT
5 671 KSEK

EBIT-margin
17,7%

Solvency
91,6%

Earnings per share
0,32 SEK

Cash
175 795 KSEK

COMMENTS ON THE FINANCIAL DEVELOPMENT Q2 2020

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

NET REVENUE

During the quarter, the Covid-19 pandemic affected all markets with limited or total closure of stores and veterinary clinics. The latter have only been open for emergencies and this has resulted in reduced time in the waiting rooms where our products are for sale. Overall, this has resulted in fewer and, in terms of volume, smaller orders from our distributors during the quarter, a development in line with our expectations when we left Q1. At the same time, we have seen a large increase in online sales. Chewy, the largest online player in pet products and also our largest customer in the North American market, accounted for 30% of our total sales in North America during the first half of the year, compared to 19% for the full year 2019. Another example of the strong online trend is that sales to Amazon UK, which previously was handled by a distributor, continues to increase sharply.

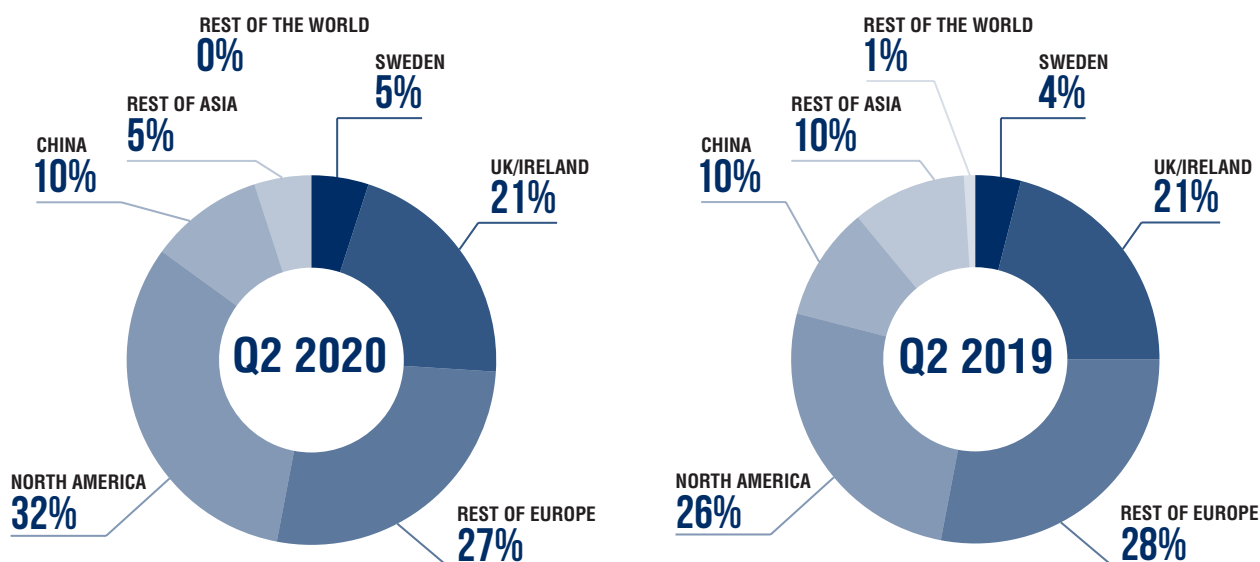
Underlying high demand and a very strong recovery at the end of the quarter resulted in, despite the pandemic, revenues increasing by 5% and amounting to 32 015 KSEK during the second quarter of 2020. Organic currency-adjusted growth amounted to 0% during the second quarter.

GEOGRAPHICAL DISTRIBUTION

The continued strong growth online has contributed to markets or submarkets, where we have larger online customers such as Chewy and Amazon, developing well over the quarter. Despite the pandemic, North America grew by 28% over the quarter compared with the corresponding period last year, which meant that the market represented almost a third of the Group's total sales in Q2 2020.

In Europe, we have seen a strong recovery in June after a weaker April and May, which resulted in sales over the quarter in line with the corresponding period last year.

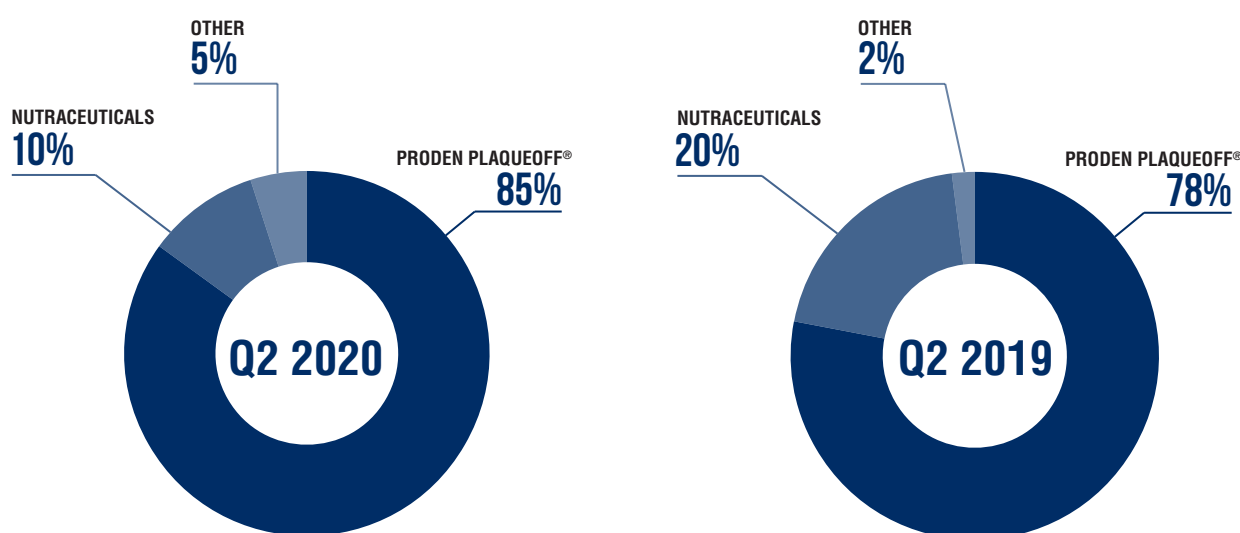
As we sent a larger order to Korea in Q1, this resulted in a decrease for Rest of Asia in Q2 compared to the corresponding period last year when we also shipped an order in Q2 2019. During the quarter, the time-shifted order was delivered to China, which resulted in China representing 10% of total sales, in line with the corresponding period last year.



PRODUCT DISTRIBUTION

The ProDen PlaqueOff® product family had a growth of 15% in the quarter and represented 85% of the Group's total sales during Q2 2020, compared to 78% the previous year. Dental Bones continues to show strong growth, both through continued success in the US and through launches in new markets. During the quarter, our Mini Bones were launched in Greece and Spain, where they took off with a flying start.

The strong growth within our product group Other is attributed to the subsidiary Biovet, whose product portfolio includes equipment for veterinarians.



PROFIT

Operating profit after depreciation and amortization (EBIT) for the second quarter of 2020 amounted to 5 671 KSEK (8 657 KSEK), corresponding to an operating margin of 17,7% (28,4%). Gross margin during the same period amounted to 73,9% (71,7%).

Costs in connection with the acquisition of the American operations from Stratford amounted to 1 483 KSEK. Operational EBIT, adjusted for acquisition costs, amounted to 7 154 KSEK, corresponding to an operating margin of 22,3%.

External costs during Q2 have been affected by a reduction in physical sales activities, such as canceled expos and travel, while we continue to increase our long-term marketing efforts.

We work actively to build our brands and increase our digital communication. Part of our brand-building work is to create a clearer concept and positioning, a work that we expect to be able to present during the autumn. We have also focused on marketing investments in parallel on the North American market, partly because we have strong momentum in this market despite the pandemic and partly because of our American acquisition. Exchange rate fluctuations affected EBIT during Q2 with an exchange rate loss of 920 KSEK compared with an exchange rate gain of 225 KSEK in the corresponding period last year.

Profit after tax for the second quarter of 2020 amounted to 5 145 KSEK (6 809 KSEK) corresponding to a profit margin of 16,0% (22,4%).

Earnings per share during the second quarter amounted to 0,32 SEK (0,43 SEK), based on the number of outstanding shares (15 900 881) as of June 30th, 2020.

COMMENTS ON THE FINANCIAL DEVELOPMENT H1 2020

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

NET REVENUE

Net sales during the first half of 2020 increased by 14% to 69 740 KSEK (60 926 KSEK).

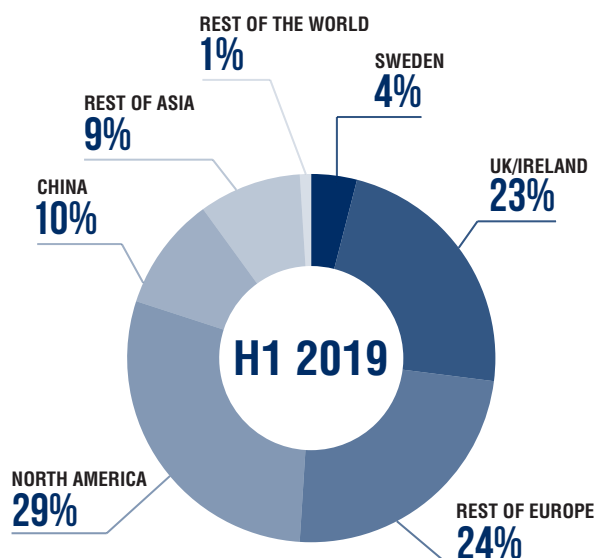
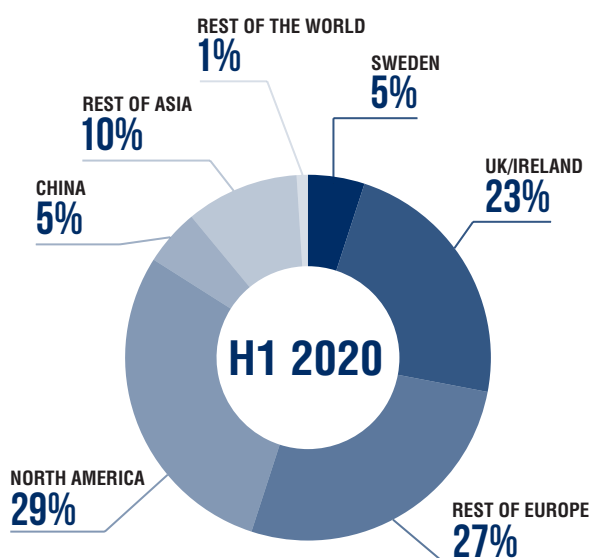
The ProDen PlaqueOff® product family, which represents 83% of the Group's sales, has stable growth, despite the pandemic, of 15% compared with H1 2019.

Organic growth was 8% during the first half of the year.

GEOGRAPHIC DISTRIBUTION

As previously communicated, the expected order from our Chinese distributor did not materialize in Q1, which resulted in China representing 5% of the Group's sales under H1 compared with 10% during the corresponding period last year.

The growth in Rest of Europe is attributed to our subsidiaries Biovet, which operates in the Greek market, and Swedencare Spain, where we have our own sales office for the past year, which has resulted in significantly higher sales compared with the corresponding period last year.

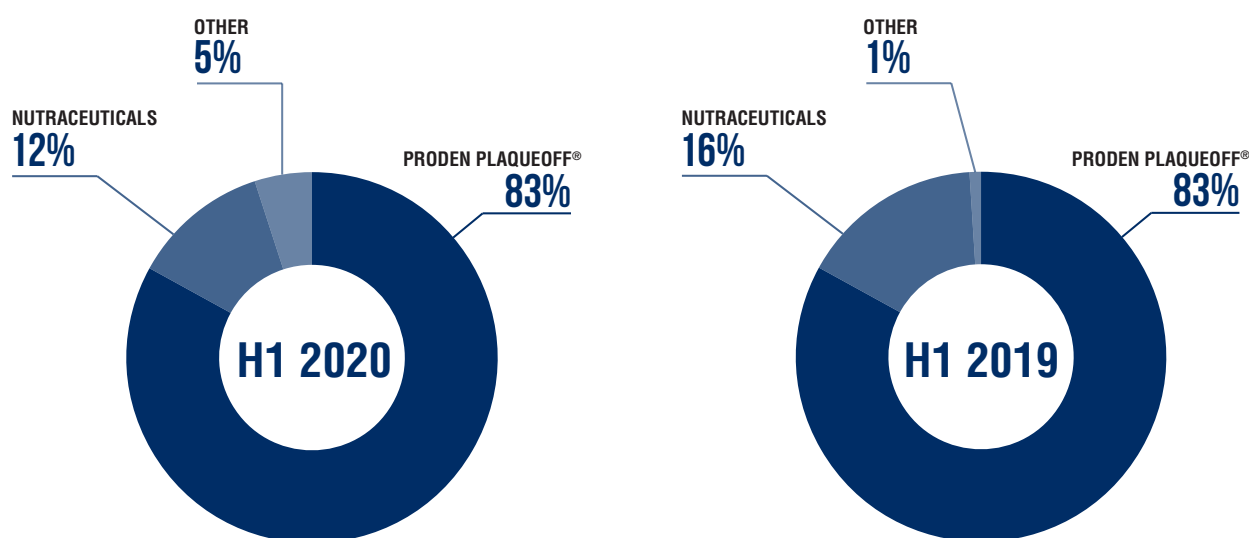


PRODUCT DISTRIBUTION

During the first half of 2020, Dental Bones increased by 48% compared with the corresponding period last year and represents 13% of the Group's sales. In the North American market, Dental Bones represents 28% of sales.

Powder ingredient, which is used in collaboration with pet food manufacturers, recently got publicity when Canagans Dental pet food, which contains ProDen PlaqueOff®, won the award for Best dog food in the UK. The product group is developing well even though orders from our pet food partners are made irregularly.

Dental Bites has increased during the first half of 2020, this is noticeable mainly in the USA but also in the Nordic countries and in Europe. The increase in the USA is mainly due to the fact that the product is now produced locally instead of being exported from Europe.



PROFIT

Operating profit after depreciation and amortization (EBIT) during the first half of 2020 amounted to 16 385 KSEK (19 335 KSEK), corresponding to an operating margin of 23,4% (31,7%). Gross margin was 72,5% (74%) during the same period.

Adjusted for acquisition costs, EBIT amounted to 17 868 KSEK which corresponds to an EBIT margin of 25,6% and in line with our long-term financial goals.

During the first half of the year, external and personnel costs increased by approximately 1 500 KSEK with the acquisition of Biovet.

Profit after tax for the first half of 2020 amounted to 13 586 KSEK (15 317 KSEK) corresponding to a profit margin of 19,4% (25,1%).

Earnings per share during the first half of 2020 amounted to 0,86 SEK (0,97 SEK) based on the number of outstanding shares (15 851 431) as of June 30th, 2020.

CASH FLOW

Cash flow from operating activities after changes in working capital amounted to 14 870 KSEK (7 301 KSEK) during the second quarter 2020. Increased working capital had a negative impact on cash flow as capital tied up in accounts receivable increased significantly during the quarter and liabilities increased with unpaid issue costs.

During the second quarter of 2020, cash flow amounted to 131 703 KSEK (3 839 KSEK). During the quarter, the dividend for 2019, 0,70 SEK per share or a total of 11 MSEK was paid. Cash flow was positively affected by the new share issue, which increased cash and cash equivalents by 129 MSEK after costs for raising capital.

During the first half year 2020, cash flow from operating activities amounted to 13 761 KSEK (15 769 KSEK) and cash flow for the period was 130 058 KSEK (10 650 KSEK).

FINANCIAL POSITION

Swedencare's equity, as of June 30th, amounted to 261 770 KSEK (114 885 KSEK), of which 887 KSEK (811 KSEK) was restricted equity. The increase is mainly explained by the directed new issue of 1,5 million shares, which was completed on June 24, 2020. The issue resulted in a contribution of 133 MSEK which after issue costs of 4,6 MSEK gave a net contribution of 129 MSEK.

Swedencare's cash amounted to 175 795 KSEK (39 076 KSEK) at June 30th 2020, at the same date the Group had interest-bearing long-term and short-term liabilities totaling 1 747 KSEK (9 462 KSEK). As of June 30th 2020, Swedencare had a net cash balance of 174 048 KSEK (29 614 KSEK).

On 1 July 2020, Swedencare made the payment for the acquisition of Statford's operations of approximately 159 MSEK and took out an acquisition credit of 50 MSEK.

PERSONELL

On June 30th 2020, Swedencare had a total of 45 employees in Sweden (9), England (4), France (2), USA (6), Ireland (14), Spain (1) and Greece (9). The gender distribution is 49% men and 51% women. As of June 30th 2019, Swedencare had a total of 32 employees.

OTHER INFORMATION

RISK FACTORS

The Board of Directors and the Managing Director ensure that the half year 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

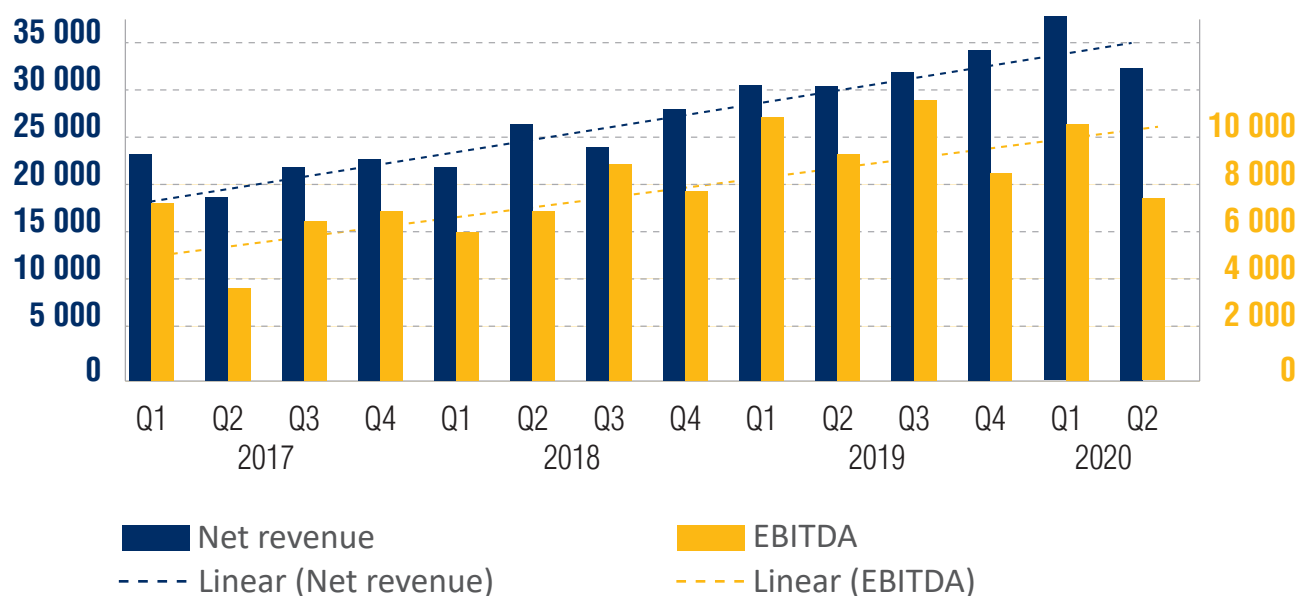
This interim report has been prepared in accordance with IAS 34. Same principles have been applied as per the last Annual Report. Since 2019 the group applies IFRS 16 Leasing which includes rental and car lease agreements in the balance sheet. This does not have a material impact on the result.

RELATED PARTY TRANSACTIONS

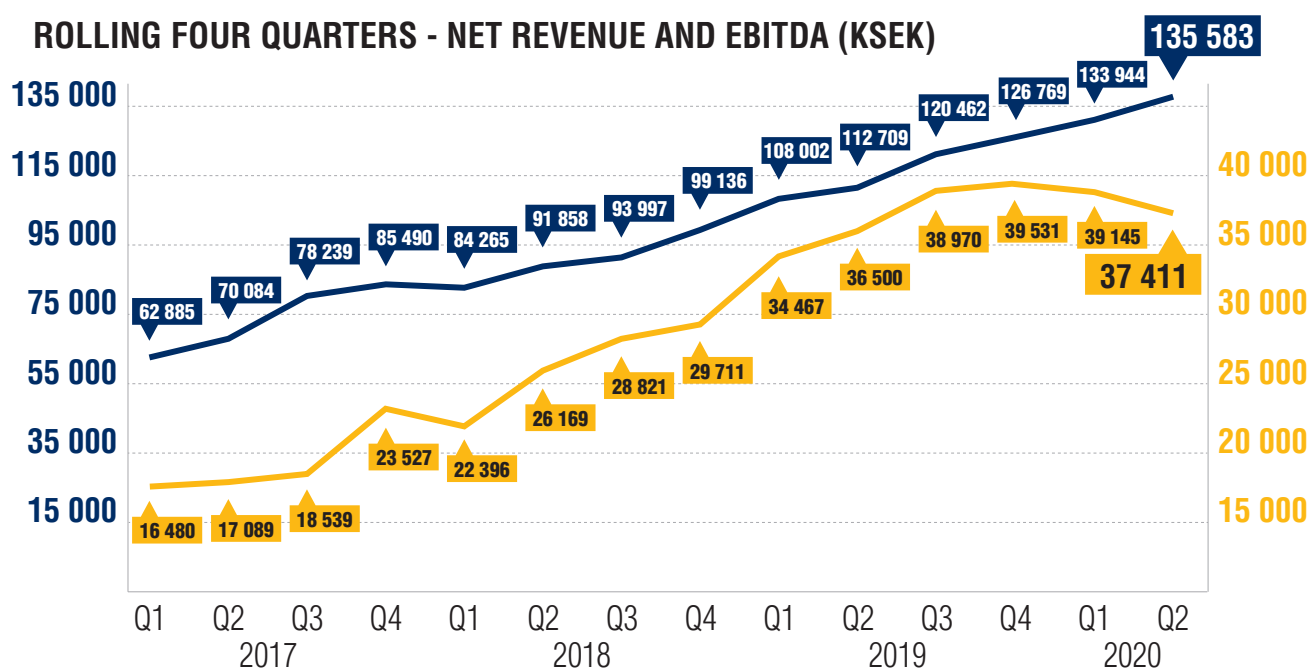
There have been no transactions with related parties during the second quarter.

DEVELOPMENT 2017 - Q2 2020

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



ROLLING FOUR QUARTERS - NET REVENUE AND EBITDA (KSEK)



Net revenue (dark blue line), EBITDA (yellow line)

Additional KPI'S and definitions can be found on page 18.

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

WE ARE PRESENT WORLDWIDE

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

"Swedencare Ireland in the past few months have diversified our Product range to include an alcohol-based hand sanitiser. Following a corroboration with a local Whiskey Distillery, we secured a source of Alcohol in a difficult marketplace and now have a product launched and registered. We have reached out to local industry and distributed some product free of charge to our Supply Chain and Group Staff members."

- Brian O'Shea
Operations Manager - Swedencare Ireland Ltd



We are proud to announce that our ProDen PlaqueOff® powder, a 100% natural product, is now certified **organic** within the EU by the Irish Organic Association.



"We are delighted with our TWO Awards in Pet Product Marketing Magazine! Our delicious Dental for Dogs with ProDen PlaqueOff® took Dog Food of the Year and we would like to say a huge congratulations to our very own Aimee, who won Sales Rep of the Year. Great result!"

- CanaganPetFood

On June 24, Swedencare acquired Stratford's operations. A leading American animal health company that sells dietary supplements to more than 10,000 veterinary clinics.

In the next interim report, Q3 2020, we look forward to presenting more about our new subsidiary and our strategy going forward.





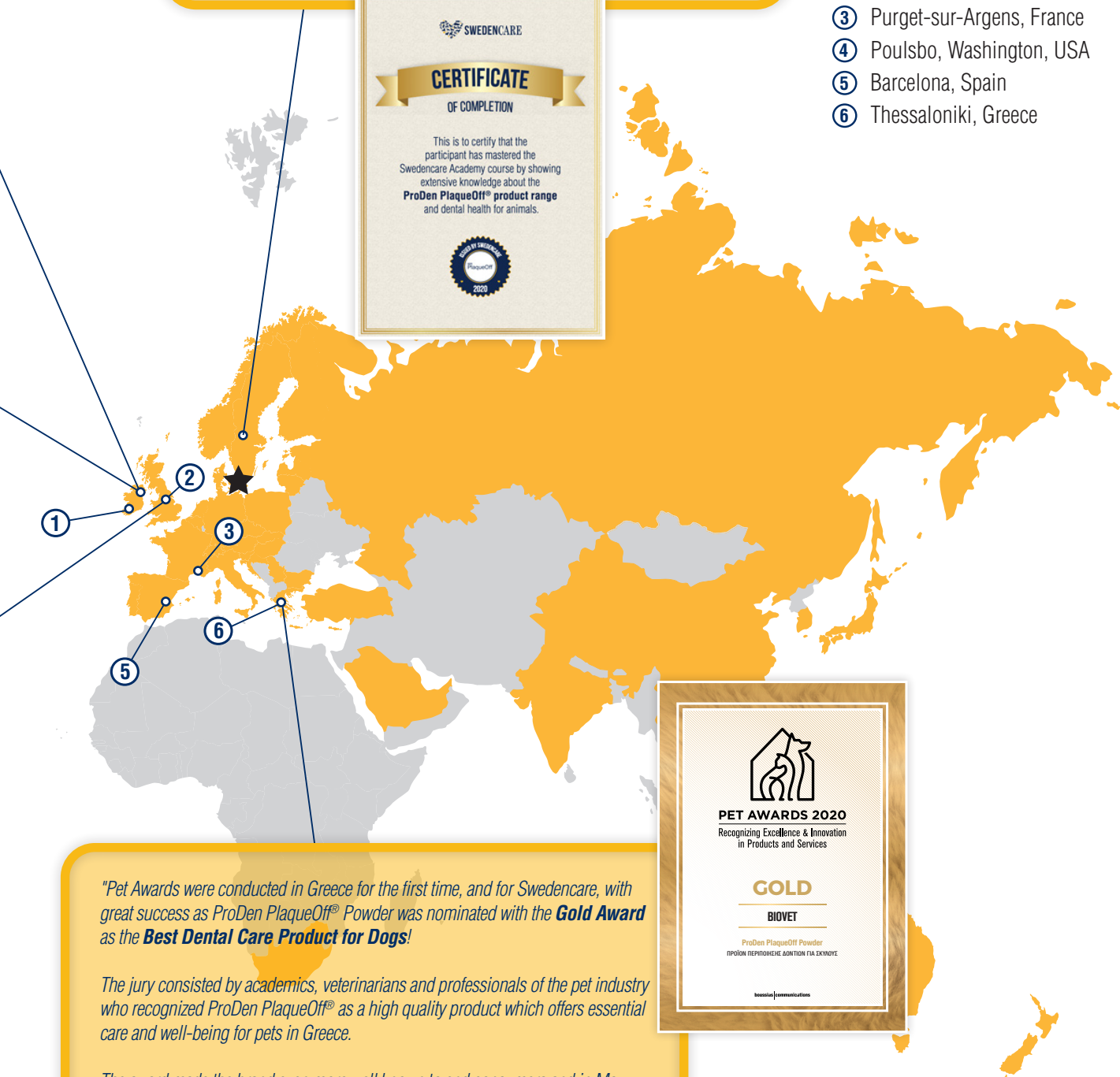
SWEDENCARE

The new platform **SwedenCare Academy** is completed – This is an new concept made exclusive for our distributors and resellers. The platform will provide facts about our ProDen PlaqueOff® product range and pet dental health as part of their training as well a useful platform for FAQ.



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



*"Pet Awards were conducted in Greece for the first time, and for SwedenCare, with great success as ProDen PlaqueOff® Powder was nominated with the **Gold Award** as the **Best Dental Care Product for Dogs!**"*

The jury consisted by academics, veterinarians and professionals of the pet industry who recognized ProDen PlaqueOff® as a high quality product which offers essential care and well-being for pets in Greece.

The award made the brand even more well known to end consumers and in May, after the announcement, we had the highest ProDen PlaqueOff® sales this year, it more than doubled compared to May last year."

- Ioanna Psychogiou
VD, Biovet



● Our presence

We are present worldwide

STOCK

	30 Jun 2020	30 Jun 2019	30 Jun 2018	30 Jun 2017
Number of shares at the end of the period	17 301 980	15 770 622	15 770 622	15 770 622
Share price at the end of the period	114,5	78,6	38,5	25,2

SHAREHOLDERS (the table summarizes Swedencare's owner structure as of June 30th 2020).

	NUMBER OF SHARES	OWNERSHIP
Håkan Svanberg & Co Health Care AB	4 631 455	26,77%
DNCA Investments	1 529 003	8,84%
JCC Group Invest Sweden AB (<i>Johan Bergdahl through bolag</i>)	1 517 351	8,77%
Mastan AB (<i>Håkan Lagerberg through bolag</i>)	1 110 362	6,42%
AMF Aktiefond Småbolag	830 000	4,80%
SEB Nanocap	659 172	3,81%
SHB Fonder	568 504	3,29%
Aktia Nordic Micro Cap	404 396	2,34%
Martin Shimko - MD Swedencare USA	300 000	1,73%
Investment AB Spiltan	300 000	1,73%
Joh. Berenberg, Gossler & Co. KG Act oBo Universal Inv. Funds - NEW	294 286	1,70%
Nordnet Pensionsförsäkring AB	267 045	1,54%
Cbny-Mkpgue Nab Acf Pie Growth UK	249 058	1,44%
Enter Småbolagsfond	235 000	1,36%
ML, Pierce Fenner & Smith Inc.	222 173	1,28%
Swedbank Robur Microcap - NEW	220 000	1,27%
Hans Persson - MD Swedencare Frankrike	199 750	1,15%
Tedcap AB (<i>Thomas Eklund through bolag</i>)	190 000	1,10%
Grandeur, Fund BBHBOS	170 982	0,99%
BFCM P/C BFCM Sweden Retail LT	162 775	0,94%
Consensus Småbolag - NEW	142 000	0,82%
Lannebo Nanocap - NEW	135 000	0,78%
Per Malmström Consulting AB	123 000	0,71%
Avanza	122 819	0,71%
Fondita Nordic Micro Cap Investment - NEW	117 459	0,68%
Cbny-Mkjgro Nab Acf Juno Kiwisaver	109 623	0,63%
Aktia Secura	108 873	0,63%
COGEFI	105 237	0,61%
Other	2 276 657	13,16%
Total	17 301 980	100,00%
Free Float*	9 694 812	56,03%

Holdings include related parties

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

FINANCIAL OVERVIEW

CONSOLIDATED PROFIT AND LOSS (KSEK)

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net revenue	32 015	30 376	69 740	60 926	126 769
Other revenue	93	86	218	92	105
Total revenue	32 108	30 462	69 958	61 018	126 874
Cost of sales	-8 385	-8 606	-19 233	-15 877	-33 823
Gross margin	23 723	21 856	50 725	45 141	93 051
Other external costs	-8 464	-5 685	-17 168	-11 530	-25 190
Personnel costs	-7 835	-7 013	-15 704	-13 637	-28 330
EBITDA	7 424	9 158	17 853	19 974	39 531
Depreciation and amortization	-833	-727	-1 677	-1 436	-3 158
Other costs*	-920	226	209	797	541
EBIT	5 671	8 657	16 385	19 335	36 914
Financial costs	-27	-71	-51	-152	-224
Result after financial costs	5 644	8 586	16 334	19 183	36 690
Net income before tax	5 644	8 586	16 334	19 183	36 690
Tax on profit	-499	-1 777	-2 748	-3 866	-6 777
Net income	5 145	6 809	13 586	15 317	29 913

* Includes exchange rate differences

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KSEK)

Net income	5 145	6 809	13 586	15 317	29 913
Exchangedifference foreign subsidiaries	-3 216	114	-612	1 299	998
Total profit	1 929	6 923	12 974	16 616	30 911

CONSOLIDATED BALANCE SHEET (KSEK)

	30 Jun 2020	31 Dec 2019	30 Jun 2019
ASSETS			
Non current assets			
<i>Intangible assets</i>			
Goodwill	49 140	49 140	49 848
Other intangible assets	2 745	3 020	211
<i>Tangible assets</i>			
Buildings and land	8 239	8 204	8 389
Machinery and other tech assets	4 831	5 427	6 316
Tools, furnitures and fixtures	1 809	1 997	1 806
<i>Financial assets</i>			
Other financial assets	61	61	60
Deferred tax asset	1 168	994	794
Total non current assets	67 993	68 843	67 424
Current assets			
Inventory	17 042	15 295	10 846
Accounts receivable	22 504	17 433	18 249
Other receivable	510	876	299
Prepaid costs and deferred revenue	1 898	1 263	2 063
Cash	175 795	45 737	39 076
Total current assets	217 749	80 604	70 533
TOTAL ASSETS	285 742	149 447	137 957

EQUITY AND LIABILITIES

Equity			
Share capital	865	790	789
Reserves	22	22	22
Retained earnings incl. NI	260 883	130 516	114 074
Total equity	261 770	131 328	114 885
Long term liabilities			
Other long term liabilities	1 747	1 961	2 712
Short term liabilities			
Debt to credit institutions	-	-	6 750
Accounts payable	5 856	5 434	4 305
Tax liabilities	1 610	1 948	2 006
Other liabilities	5 682	5 379	4 410
Deferred costs and prepaid income	9 077	3 397	2 889
Total liabilities	23 972	18 119	23 072
TOTAL EQUITY AND LIABILITIES	285 742	149 447	137 957

CONSOLIDATED CASH FLOW STATEMENT (KSEK)

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Operating income after financial costs	5 644	8 586	16 334	19 183	36 690
Depreciation	833	727	1 677	1 436	3 159
Paid tax	-1 844	-1 665	-3 256	-2 833	-6 097
Change in working capital	10 237	-347	-994	-2 017	-624
Cash flow from operating activities	14 870	7 301	13 761	15 769	33 128
<i>Investment activities excl. leasing</i>					
Acquisitions	-	-	-	-	-1 926
Purchases of buildings and land	-	-36	-83	-401	-397
Purchases of machines and other tech assets	-174	-521	-174	-933	-1 143
Purchases of tools, furnitures and fixtures	-41	-230	-67	-687	-1 647
Cash flow from investments	14 655	6 514	13 437	13 748	28 015
<i>Financial activities</i>					
New share issue	128 529	-	128 529	-	-
Paid dividend	-11 061	-	-11 061	-	-
Amortization on interest-bearing loan	-	-2 250	-	-2 250	-9 000
Amortization on lease	-420	-425	-847	-848	-1 774
Cash flow for the period	131 703	3 839	130 058	10 650	17 241
Cash balance at beginning of period	44 092	35 252	45 737	28 435	28 435
Exchange difference in cash	-	-15	-	-9	61
Cash balance at end of period	175 795	39 076	175 795	39 076	45 737

CONSOLIDATED CHANGE OF EQUITY (KSEK)

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Beginning balance of equity	142 373	107 962	131 328	98 269	98 269
New share issue	128 529	-	128 529	-	2 148
Paid dividend	-11 061	-	-11 061	-	-
Total profits	1 929	6 923	12 974	16 616	30 911
Ending balance of equity	261 770	114 885	261 770	114 885	131 328

CONSOLIDATED KPI'S (KSEK)

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net Revenue	32 015	30 376	69 740	60 926	126 769
Total Revenue	32 108	30 462	69 958	61 018	126 874
EBIT	5 671	8 657	16 385	19 335	36 914
Net Income	5 145	6 809	13 586	15 317	29 913
Balance Sheet Total	285 742	137 957	285 742	137 957	149 447
Equity	261 770	114 885	261 770	114 885	131 328
Change of Revenue (%)	5,4%	18,3%	14,7%	28,3%	27,7%
Gross Margin (%)	73,9%	71,7%	72,5%	74,0%	73,3%
EBIT-margin (%)	17,7%	28,4%	23,4%	31,7%	29,1%
Net Income margin (%)	16,0%	22,4%	19,4%	25,1%	23,6%
Solvency (%)	91,6%	83,3%	91,6%	83,3%	87,9%
Interest-bearing netdebt	-174 048	-29 614	-174 048	-29 614	-43 776
Cash	175 795	39 076	175 795	39 076	45 737
Outstanding Shares	17 301 980	15 770 622	17 301 980	15 770 622	15 801 980
Average outstanding shares	15 900 881	15 770 622	15 851 431	15 770 622	15 778 462
Earnings per share (SEK)	0,32	0,43	0,86	0,97	1,90
Equity per share (SEK)	15,13	7,28	15,13	7,28	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

PARENT COMPANY PROFIT AND LOSS (KSEK)

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Net revenue	10 085	11 348	21 565	22 544	41 653
Other revenue	94	86	218	92	99
Total revenue	10 179	11 434	21 783	22 636	41 752
Cost of sales	-2 731	-3 045	-6 572	-6 225	-11 258
Gross margin	7 448	8 389	15 211	16 411	30 494
Other external costs	-4 589	-2 480	-7 008	-4 914	-10 633
Personnel costs	-2 168	-1 792	-4 219	-3 439	-7 182
EBITDA	691	4 117	3 984	8 058	12 679
Depreciation and amortization	-4	-4	-8	-7	-15
Other costs	-811	274	555	808	627
EBIT	-124	4 387	4 531	8 859	13 291
Financial costs	-	7 191	-1	7 143	15 797
Result after financial costs	-124	11 578	4 530	16 002	29 088
Year-end adjustments	-	-	-	-	-179
Net income before tax	-124	11 578	4 530	16 002	28 909
Tax on profit	677	-984	-436	-1 931	-2 709
Net income	553	10 594	4 094	14 071	26 200

PARENT COMPANY BALANCE SHEET (KSEK)

	30 Jun 2020	31 Dec 2019	30 Jun 2019
ASSETS			
Non current assets			
<i>Non tangible assets</i>			
Patent, trademarks and other intangible assets	2 450	2 450	-
<i>Tangible assets</i>			
Tools furnitures and fixtures	45	54	62
<i>Financial assets</i>			
Shares in subsidiaries	66 063	66 063	62 666
Total non current assets	68 558	68 567	62 728
Current assets			
Inventory	1 731	1 569	1 557
Accounts receivable	5 433	3 348	4 583
Tax receivables	875	-	-
Intercompany receivables	8 983	8 032	7 065
Other receivable	442	415	201
Prepaid costs and deferred revenue	860	653	984
Cash	150 948	25 723	21 681
Total current assets	169 272	39 740	36 071
TOTAL ASSETS	237 830	108 307	98 799

EQUITY AND LIABILITIES

Equity			
Share capital	865	790	789
Reserves	22	22	22
Retained earnings incl. NI	222 533	101 047	86 771
Total equity	223 420	101 859	87 582
Short term liabilities			
Debt to credit institutions	-	-	6 750
Accounts payable	1 635	2 831	2 073
Tax liabilities	-	92	599
Intercompany payables	4 809	179	-
Other liabilities	346	917	108
Deferred costs and prepaid income	7 620	2 429	1 687
Total liabilities	14 410	6 448	11 217
TOTAL EQUITY AND LIABILITIES	237 830	108 307	98 799

REVENUE BREAKDOWN

GROUP (KSEK)	Jan-Jun 2020	Jan-Jun 2019	Change %
<i>Product areas</i>			
ProDen PlaqueOff®	57 861	50 338	15%
Nutraceuticals	8 453	9 824	-14%
Other	3 426	764	348%
Total	69 740	60 926	14%
<i>Time of revenue recognition</i>			
The performance commitment is met over time	-	-	-
The performance commitment is met at a certain time	69 740	60 926	14%
Total	69 740	60 926	14%
<i>Geographic market</i>			
Sweden	3 112	2 545	22%
UK/Ireland	16 204	13 768	18%
Rest of Europe	18 932	14 723	29%
North America	20 440	17 792	15%
China	3 219	5 918	-46%
Rest of Asia	6 979	5 722	22%
Rest of the World	854	458	86%
Total	69 740	60 926	14%

BOARD OF DIRECTORS

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

MALMÖ JULY 24TH 2020



Håkan Lagerberg
CEO and Board Member



Per Malmström
Board Chairman



Sara Brandt
Board Member



Håkan Svanberg
Board Member



Thomas Eklund
Board Member

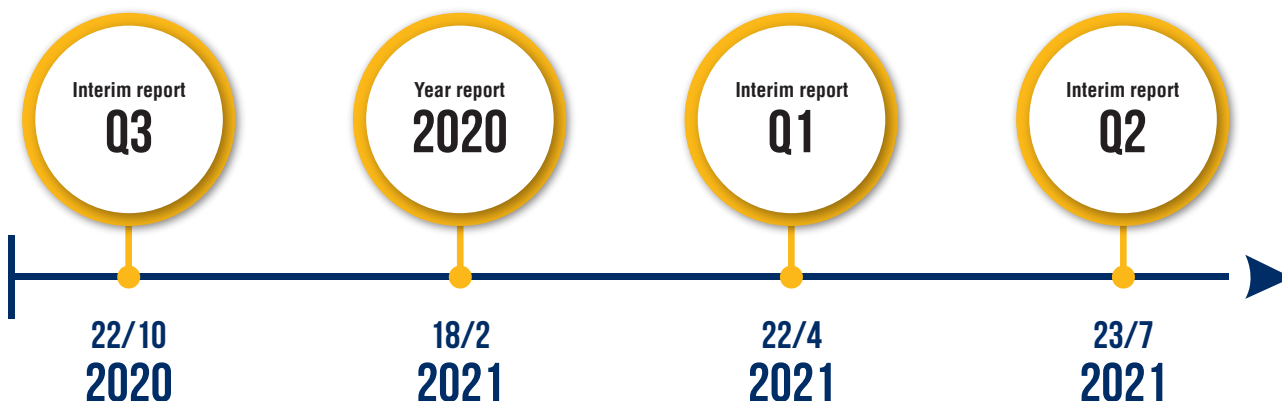


Johan Bergdahl
Board Member

AUDITOR'S REVIEW

This half year report has been reviewed by the company's auditor. The review report is available on page 23.

FUTURE REPORTING SCHEDULE



CONTACT

Swedencare AB (publ), Org.nr. 556470-3790
Medeon Science Park
Per Albin Hanssons väg 41
205 12 Malmö

Visit our website www.swedencare.se

Håkan Lagerberg, CEO
Phone: +46 73 517 01 70
hakan.lagerberg@swedencare.se

Jenny Graflind, CFO
Phone: +46 73 944 85 54
jenny.graflind@swedencare.se

CERTIFIED ADVISER

FNCA Sweden AB
102 48 Stockholm
+46 8 528 00 399

REVIEW REPORT

Revisors rapport över översiktlig granskning av finansiell delårsinformation i sammandrag (delårsrapport) upprättad i enlighet med IAS 34 och 9 kap. årsredovisningslagen (1995:1554)

Till styrelsen för Swedencare AB (publ)

INLEDNING

Vi har utfört en översiktlig granskning av den finansiella delårsinformationen i sammandrag (delårsrapport) för Swedencare AB (publ) per 30 juni 2020 och den sexmånadersperiod som slutade per detta datum. Det är styrelsen och verkställande direktören som har ansvaret för att upprätta och presentera denna delårsrapport i enlighet med IAS 34 och årsredovisningslagen. Vårt ansvar är att uttala en slutsats om denna delårsrapport grundad på vår översiktliga granskning.

DEN ÖVERSIKTLIGA GRANSKNINGENS INRIKTNING OCH OMFATTNING

Vi har utfört vår översiktliga granskning i enlighet med International Standard on Review Engagements ISRE 2410 Översiktlig granskning av finansiell delårsinformation utförd av företagets valda revisor. En översiktlig granskning består av att göra förfrågningar, i första hand till personer som är ansvariga för finansiella frågor och redovisningsfrågor, att utföra analytisk granskning och att vidta andra översiktliga granskningsåtgärder. En översiktlig granskning har en annan inriktning och en betydligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt ISA och god revisionssed i övrigt har. De granskningsåtgärder som vidtas vid en översiktlig granskning gör det inte möjligt för oss att skaffa oss en sådan säkerhet att vi blir medvetna om alla viktiga omständigheter som skulle kunna ha blivit identifierade om en revision utförts. Den uttalade slutsatsen grundad på en översiktlig granskning har därför inte den säkerhet som en uttalad slutsats grundad på en revision har.

SLUTSATS

Grundat på vår översiktliga granskning har det inte kommit fram några omständigheter som ger oss anledning att anse att delårsrapporten, inte i allt väsentligt, är upprättad för koncernens del i enlighet med IAS 34 och årsredovisningslagen samt för moderbolagets del i enlighet med årsredovisningslagen.

Malmö July 24th 2020



Auktoriserad revisor



PREMIUM PRODUCTS WITHIN ANIMAL HEALTH.
READ MORE AT [SWEDENCARE.SE](https://swedencare.se)

