

INTERIM REPORT

July-September

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®, NutriScience and Stratford are represented on approximately fifty markets in all parts of the world including eight 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%.

TO BE REVIEWED

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 VERY EVENTFUL QUARTER WITH NEW RECORDS

SUMMARY OF THE PERIOD

THIRD QUARTER: JULY 1ST – SEPTEMBER 30TH 2020

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

- Net revenue amounted to 69 566 KSEK (31 759 KSEK), an increase of 119%
- Organic, currency-adjusted growth amounted to 27%
- Operating profit before depreciation (EBITDA) amounted to 20 870 KSEK (11 311 KSEK), corresponding to a increase of 84% and an EBITDA-margin of 30,0% (35,6%)
- Operating profit after depreciation (EBIT) amounted to 18 642 KSEK (10 995 KSEK), corresponding to a increase of 70% and an EBIT-margin of 26,8% (34,6%)
- Profit after tax amounted to 14 497 KSEK (8 875 KSEK)
- Earnings per share calculated on 17 432 415 shares 0,83 SEK (0,56 SEK)
- As of September 30th 2020, cash amounted to 408 661 KSEK (40 063 KSEK)
- Costs in connection with the acquisition of Nutravet UK and Animal Pharmaceuticals operations amounted to 1 515 KSEK. Adjusted for this, EBITDA amounted to 22 385 KSEK, corresponding to an EBITDA-margin of 32,2% and EBIT to 20 157 KSEK corresponding to an EBIT-margin of 29,0%

FIRST 9 MONTHS: JANUARY 1ST – SEPTEMBER 30TH 2020

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

- Net revenue amounted to 139 306 KSEK (92 686 KSEK), an increase of 50%
- Organic, currency-adjusted growth amounted to 14%
- Operating profit before depreciation (EBITDA) amounted to 38 724 KSEK (31 286 KSEK), corresponding to an increase of 24% and an EBITDA-margin of 27,8% (33,7%)
- Operating profit after depreciation (EBIT) amounted to 35 027 KSEK (30 331 KSEK), corresponding to an increase of 16% and an EBIT-margin of 25,1% (32,7%)
- Profit after tax amounted to 28 083 KSEK (24 192 KSEK)
- Earnings per share calculated on 16 382 272 shares 1,71 SEK (1,53 SEK)
- Cash flow from operating activities amounted to 20 444 KSEK (24 740 KSEK)
- Foreign exchange losses amounted to 656 KSEK

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

Swedencare AB (publ) acquires operations from a leading British pet health care company.

Swedencare AB (publ) acquires operations from an American pet health care company with a focus on the veterinary channel.

Swedencare AB (publ) carries out a directed new issue of 2 000 000 shares and is thus provided with approximately 340 MSEK, which after issue costs of 4,7 MSEK, gave a net contribution of 335,3 MSEK to partly finance acquisitions.

SIGNIFICANT EVENTS AFTER THE THIRD QUARTER

Swedencare AB (publ) took, on October 1st, over the businesses acquired on September 24th.

WORDS FROM THE CEO

To say that this Q3 was one of the most eventful quarters in the history of Swedencare is by no means an exaggeration. Many exciting things have happened and here is my attempt to briefly describe recent events.

The revenue of the third quarter was 69,6 MSEK, which is an increase of 119% compared to Q3 2019. The EBITDA results increased by 84% to 20,9 MSEK, corresponding to a margin of 30%. The result was affected by costs amounting to approximately 1,5 MSEK due to the acquisitions of Animal Pharmaceutical and Nutravet. When adjusting to these acquisition costs we reach an EBITDA margin of 32,2%, well exceeding our current long-term goal of 25% - despite the current changes and challenges in the world. As I wrote in my last report, we had a strong recovery at the end of Q2 and it has been maintained all through Q3.

The fact that we produced a record high report as regards to revenues and profits was expected due to our acquisition of Stratford, which is included in the numbers from July 1st, 2020. But delivering a 27% organic growth is truly a proof of strength, particularly in regard to the current situation worldwide. Even when extracting the Stratford addition, we have delivered record high revenues as well as profits.

The currently increasing spread of the Corona virus effects many markets globally, but as of yet we have not noticed any major effects in sales. With exhibitions and events cancelled and most customer meetings held digitally it is difficult to foresee exactly if and how these changes will affect us, but I don't think they will stop our growth to any major extent. When it comes to addressable markets the number of pets has increased in almost all markets and as pet parents now value and spend even more time with their four-legged friends even stronger bonds are made, a factor that is positive for us as a distributor of premium products.

On the marketing side the company's full focus lies on brand building and directed activities to generate sales for us and our partners worldwide. We are in the midst of developing a new brand name platform, new website as well as developing social media brand building, advertising and expanding our cooperation with influencers.

Due to the current Corona related restrictions the integration of Stratford had to be made over distance, but the process has gone just as well as expected. Our main focuses have been sales co-ops, product training and the transfer of some of SwedencareUSA's veterinary customers to Stratford. By the end of the quarter the full range of powder products were delivered to Stratford, who will be launching them to the veterinary segment all over the US. We have also picked out some of Stratford's best products to be launched under the Swedencare brand name to certain important "Pet Specialty" customers of SwedencareUSA.

As previously stated, this quarter was strong and in the North American market both our subsidiaries had record quarters with growth amounting to over 30%. The inflow of new B2B customers was strong and SwedencareUSA added amongst others Woof Gang Bakery with 130 stores and Mondue with 60 stores to their customer list while Stratford added a new veterinary chain with 75 clinics to theirs.



KPI'S Q3 2020

We keep expanding within online sales, which is to be expected as many clinics and physical shops have limitations in regard to opening hours and number of simultaneous visitors.

In the UK we see the same trend as in the US with over 30% growth and an increase in online sales. Our production facility in Ireland were quick to adapt to the Irish COVID restrictions which resulted in a temporary decrease in production during Q2 but are now back to full production and scheduling capacity. During Q3 the team has produced ProDen PlaqueOff® for a large number of internal markets and also supplied the demand amongst our external customers in the UK, Germany and the BeNeLux. The team has worked hard to meet the market demands and I am proud that Swedencare has such an effective production facility and organization in Ireland.

Our other subsidiaries keep developing strongly with high growth and record high months both in Spain and Greece. In France and the Nordics we see a slightly lower growth rate, but the trend is positive with a high number of pending orders and favorable prognosis for the next quarter. All subsidiaries had a larger demand than could be met for the products Dental Bones and Dental Bites. The pandemic caused us some production and delivery challenges, but as the quarter came to its end that situation was again going back towards normal.

In the rest of the world we have delivered to all large markets - Australia, Brazil, Russia, South Korea, Japan and China. We have received very encouraging reports from the first four countries where Q3, especially September, showed fantastic sales numbers for ProDen PlaqueOff®. The highest quarterly and month sales results shows that our targeted online marketing activities have had great impact. Our Dental Bones keep conquering new markets and in October we sent our first orders to Japan, a market in which we have very high expectations.

Not only did we experience a strongly increased "normal" business sentiment during Q3 – we also had some extraordinary intense activities when ending the quarter! The acquisitions of UK based Nutravet and American Animal Pharmaceuticals, both companies with strong positions within the veterinary sector, were made at the same time, both with take over from October 1st. The financing was mainly made by a directed new share issue where a large number of Swedish and international institutions took part.

Net revenue
69 566 KSEK

Change in
net revenue
119%

OP. EBIT*
20 157 KSEK

EBIT-margin
29,0%

*operational EBIT adjusted for
acquisition cost

EBIT
18 642 KSEK

EBIT-margin
26,8%

Solvency
86,1%

Earnings per share
0,83 SEK

376 MSEK
Acquisitions paid
October 1st

Cash
409 MSEK

Our acquisition strategy is based on a simple prevailing rule – we seek companies that are similar to ours in that they should be entrepreneurial, profitable with high growth rate and with owners/management that share our goal in creating a world leading group within the Pet Healthcare market. We have made a thorough review and I am certain that these two acquisitions will prove to be extremely successful when we look back a few years from now.

With Nutravet we gain the market leading nutraceutical company within Pet Healthcare in the UK, with an enormous potential for export. The founder, Matthew Shaw, who now is a major shareholder of Swedencare, has built an impressive product line, organization and network. Nutravet also has a unique agreement with the largest veterinary chain in Europe. Thus far product launch has been made to the UK clinics and the next phase includes launch to clinics in the other ten countries where the veterinary chain operates.

Animal Pharmaceuticals provides us with yet another veterinary focused company in the US which will have many synergies with Stratford with regards to organization, fulfillment, finance and sales. Jason Brown, who now is a major shareholder of Swedencare, founded the company and has run it successfully for 17 years. We have with these two American acquisitions reached a new level having added agreements with the three largest veterinary distributors in the US with sales adding up to almost 30 000 veterinary clinics. Brian (Stratford) and Jason (AP) will alongside Martin (SwedencareUSA) and their respective teams, represent a major part of Swedencare's revenues with the US being our largest market, which is well in line with our ambition as the US is by far the largest Pet market in the world.

Given all of these changes in the company the only thing I find frustrating is not being able to travel and meet my new colleagues in person and not being able to have meetings with our customers, suppliers and other partners. I very much look forward to doing so when the situation allows it.

I am grateful for and equally humbled by the trust that the capital market has shown Swedencare and me as its CEO. I will continue to do my utmost to supersede your expectations and I am encouraged by working in such a fantastic and dynamic organization.

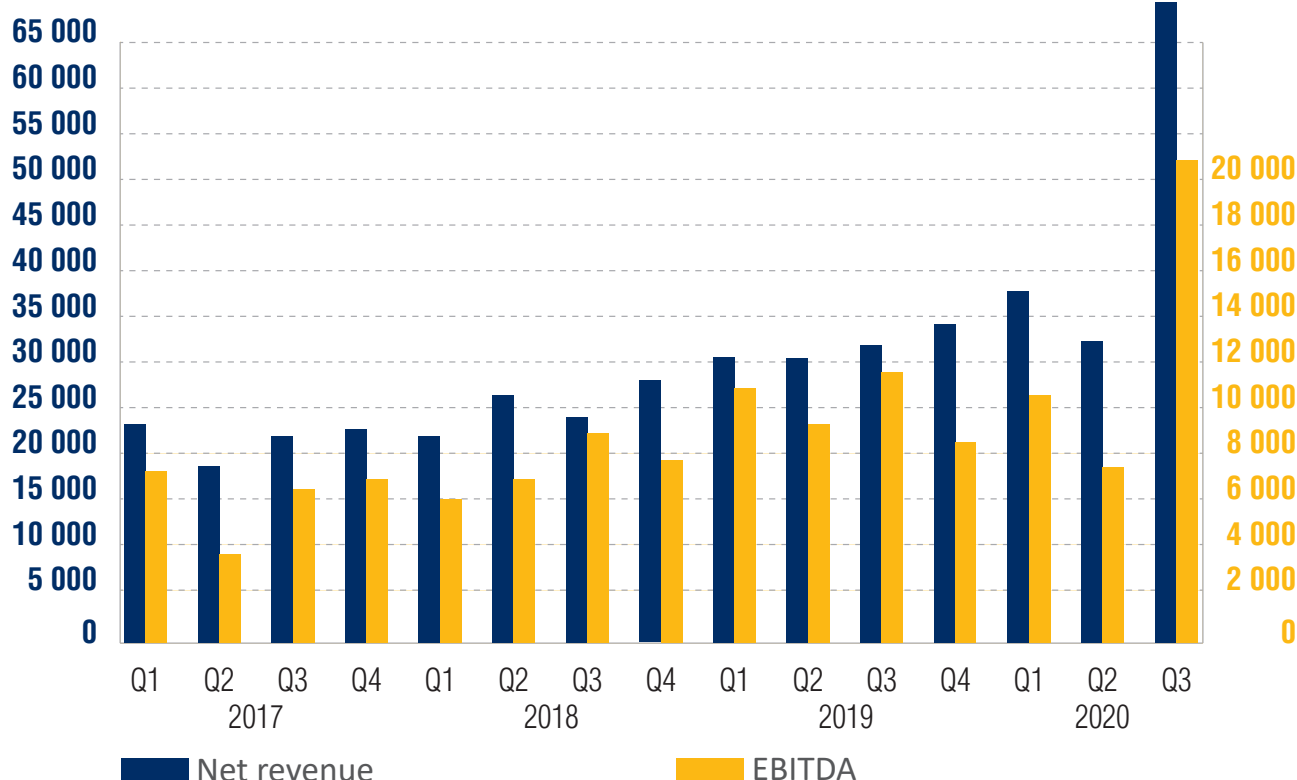
Best Regards,

A handwritten signature in dark ink, appearing to read 'Håkan', with a long, horizontal, slightly wavy line extending from the end of the name.

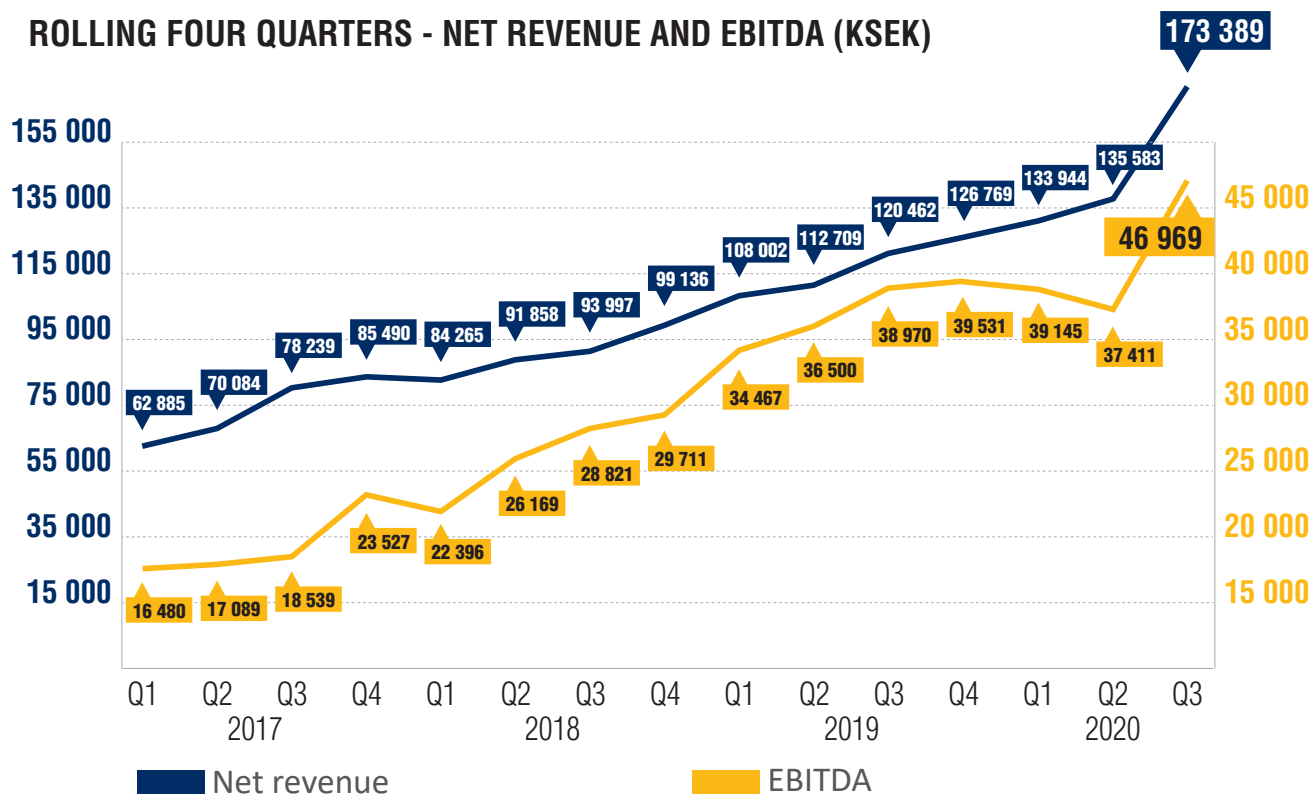
*Håkan Lagerberg, CEO
Malmö October 22nd 2020*

DEVELOPMENT 2017 - Q3 2020

QUARTERLY HISTORY OF NET REVENUE AND EBITDA (KSEK)



ROLLING FOUR QUARTERS - NET REVENUE AND EBITDA (KSEK)



Additional KPI'S and definitions can be found on page 19.

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.

COMMENTS ON THE FINANCIAL DEVELOPMENT Q3 2020

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

NET REVENUE

A recovery from the Covid-19 pandemic for Swedencare started in June, and after a slower Q2, we again noticed a strong demand for our products during Q3. Online sales are still strong, which is clearly noticeable in the markets where we have larger online customers, such as Chewy.com and Amazon.

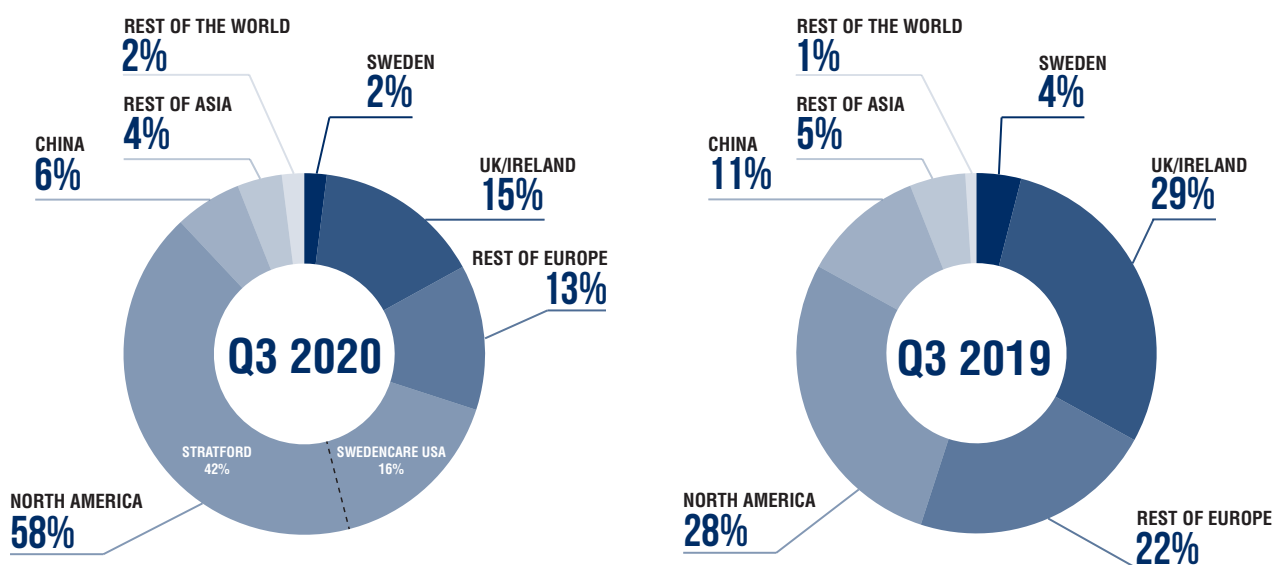
The increase in sales of 119% to 69 566 KSEK is explained by an organic growth of 27% and the acquisition of American Stratford's operations.

GEOGRAPHICAL DISTRIBUTION

Following the Stratford acquisition and a 34% growth in our existing US operations, the North American market accounted for 58% of the Group's total sales in Q3 2020, compared with 28% in the corresponding quarter last year.

Other markets also showed growth during Q3 2020 which is not visible in the graph below as the increase for North America strongly affects the compilation. Rest of Europe increased by 35% in Q3 as we started our own operations in Greece and Spain. Brazil and Australia, in the graphic "Rest of the World", also show exceptionally good sales growth during the past quarter.

During Q3 2020 and Q3 2019, the geographical sales were distributed according to the graphics.



PRODUCT DISTRIBUTION

The Stratford acquisition added a new category "Topicals/Dermatology" to Swedencare's product portfolio. This category includes products within e.g. shampoos and skin care for dogs and cats. Stratford's remaining products are reported within the Nutraceuticals product group, which during the quarter increased from 10% to 16% of the Group's total sales.

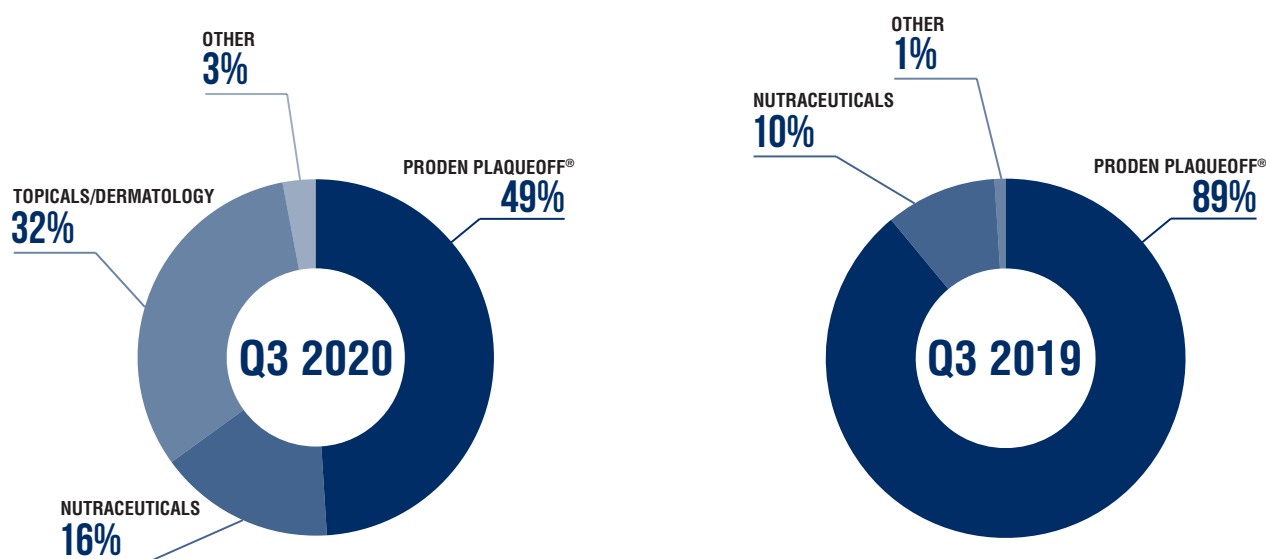
ProDen PlaqueOff® continues to show remarkably high growth, + 21% during Q3 2020 compared to Q3 2019.

At the same time, new products in Swedencare's product portfolio resulted in a decrease of ProDen PlaqueOff® from 89% of the Group's total sales in Q3 2019 to 49% in Q3 2020.

Dental Bones, which outside the US has the strongest growth mainly in the UK and Rest of Europe, increased by 73% during the quarter, corresponding to 15% of total ProDen PlaqueOff® sales.

A contributing factor is the launch of Mini Bones in Greece, among other places.

During Q3 2020 and Q3 2019 sales per product group were distributed according to the graphics.



PROFIT

Operating profit after depreciation and amortization (EBIT) for the third quarter 2020 amounted to 18 642 KSEK (10 995 KSEK), corresponding to an operating margin of 26,8% (34,6%) which includes acquisition costs of 1 515 KSEK related to the acquisitions of the British company Nutravet and the operations from American Animal Pharmaceuticals. Operational EBIT, adjusted for acquisition costs, amounted to 20 157 KSEK, corresponding to an operating margin of 29,0%.

Gross margin during the same period was 62,6% (73,7%), affected by a lower margin in Stratford. 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. We have also had costs for a study on cats as this group of pets is growing rapidly in many markets. If the results are successful, we plan to use this to apply for VOHC approval.

Exchange rate fluctuations affected EBIT during Q3 with an exchangerateloss of 864 KSEK, compared with an exchangerategain of 476 KSEK in the corresponding period last year.

Profit after tax for the third quarter of 2020 amounted to 14 497 KSEK (8 875 KSEK) corresponding to a profit margin of 20,8% (27,9%).

Earnings per share during the third quarter amounted to 0,83 SEK (0,56 SEK) based on the number of outstanding shares 17 432 415 as of September 30th, 2020.

COMMENTS ON THE FINANCIAL DEVELOPMENT **FIRST 9 MONTHS 2020**

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

NET REVENUE

Net sales increased by 50% to 139 306 KSEK (92 686 KSEK) during the first nine months 2020. The growth is partly explained by the acquisition of Stratford and partly by organic currency-adjusted growth, despite the impact of the ongoing Covid-19 pandemic, of 14%.

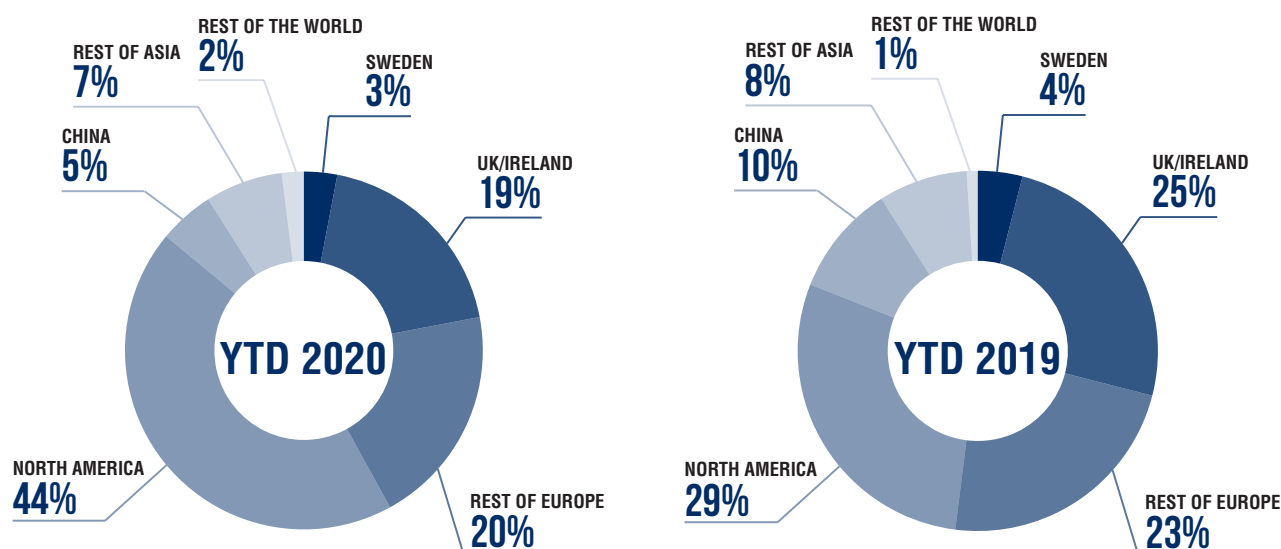
GEOGRAPHIC DISTRIBUTION

With only one quarter which includes Stratford, North America, after strong organic growth, has grown to represent 44% of the Group's sales. During Q4 2020, the acquisitions of Animal Pharmaceuticals' operations in the USA and Nutravet, which affect the UK / Ireland submarket, are included.

China is back at the same levels as before the pandemic, but the missing expected delivery in Q1 has resulted in a decrease for the first nine months compared to the previous year. Rest of Asia, with Korea and Japan at the top, increased by 32% compared with the corresponding period last year. The demand for the entire product range in Korea has had a positive effect on the development.

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

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



PRODUCT DISTRIBUTION

The new product group Topicals/Dermatology and an increase in Nutraceuticals are affected by the acquisition of Stratford.

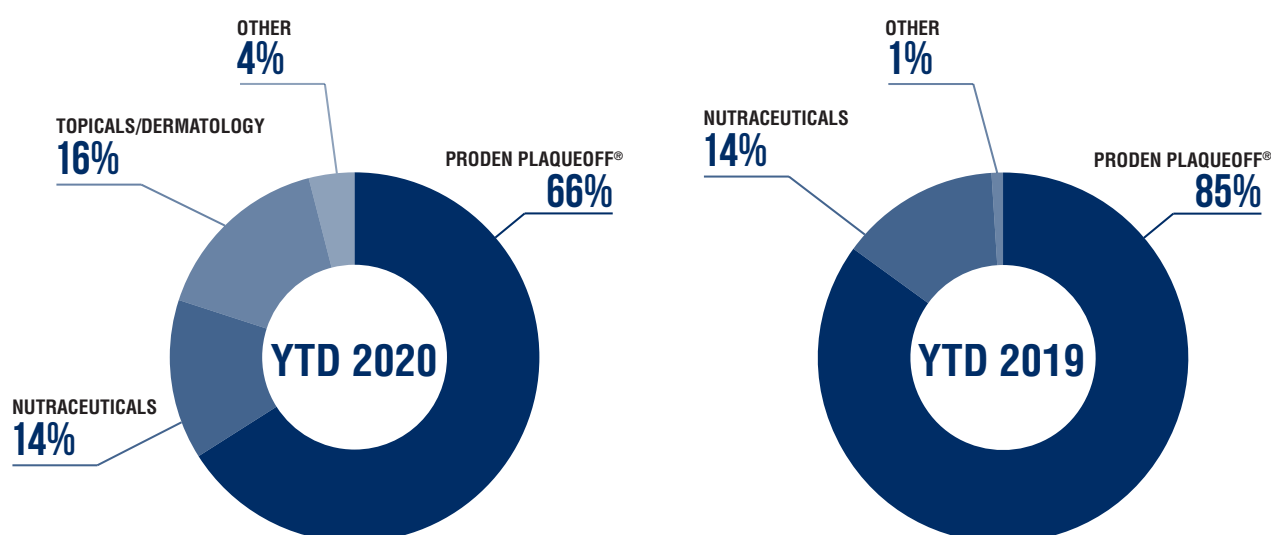
The ProDen PlaqueOff® product family shows growth of 17% during the first nine months of 2020, representing 66% of the Group's total sales, compared with 85% in the first nine months of 2019.

The strong growth in the product group Other, is attributed to the subsidiary Biovet, which in its product portfolio includes equipment for veterinarians.

In addition to the product groups affected by the acquisitions, i.e. Topicals/Dermatology, Nutraceuticals and Other, Dental Bones continues to show the fastest growth. During the first nine months of 2020, the product has increased by 56% compared with the corresponding period last year. In the North American market, Dental Bones represents 30% of sales and in the UK, where Dental Bones is increasing sharply, Dental Bones accounts for 9% of sales.

Dental Bites has also gained new momentum as it was launched with new customers in the Nordic region and is a popular product in Southern Europe.

During YTD 2020 and YTD 2019 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 2020 to 35 027 KSEK (30 331 KSEK), corresponding to an operation margin of 25,1% (32,7%). The gross margin was 67.5% (73.9%) during the same period.

Adjusted for acquisition costs, EBIT amounted to 38 025 KSEK which corresponds to an EBIT margin of 27,3%. Despite an acquisition, Stratford, with significantly lower margins and a pandemic, we achieve an operating profit higher than our long-term financial goals.

As previously communicated, a new strategy and new financial targets will be presented no later than with the Year-End Report.

During the first nine months of 2020, external and personnel costs increased by approximately 9 MSEK with the acquisition of Biovet and Stratford.

CASH FLOW

Cash flow from operating activities after changes in working capital amounted to 8 376 KSEK (8 971 KSEK) during the third quarter of 2020. An increase in working capital had a negative effect on cash flow as capital tied up in accounts receivable increased with strong invoicing at the end of the quarter and with decreasing liabilities after payment of issue costs.

During the third quarter of 2020, cash flow amounted to 232 866 KSEK (946 KSEK). Cash flow was positively affected by the new share issue in September, which increased cash by 335 MSEK after costs for raising capital and raising borrowings of 50 MSEK. During the period, a purchase price of 157,8 MSEK was paid regarding the acquisition of Stratford's operations.

During the first nine months 2019, cash flow from operating activities amounted to 20 444 KSEK (24 740 KSEK) and cash flow for the period was 362 924 KSEK (11 595 KSEK).

FINANCIAL POSITION

Swedencare's equity, as of September 30th, 2020, amounted to 608 651 KSEK (124 720 KSEK), of which 987 KSEK (811 KSEK) was restricted equity. The increase is mainly explained by the aimed new emission of 2 million shares, which was completed on September 24th, 2020. The issue provided an addition of 340 MSEK, which after issue costs of 4.7 MSEK, increased equity by approximately 335.3 MSEK.

Swedencare's cash amounted to 408 661 KSEK (40 063 KSEK) at September 30th 2020, at the same date the Group had interest-bearing long-term and short-term liabilities totaling 64 896 KSEK (2 388 KSEK). Swedencare had a net cash balance of 343 765 KSEK (37 675 KSEK), on September 30th, 2020.

On October 1st, 2020, Swedencare paid the purchase price for the acquisitions of Nutravet UK of approximately 287 MSEK and Animal Pharmaceuticals' operations of approximately 89 MSEK, in connection with which an acquisition credit of 50 MSEK was raised. An additional purchase price for Animal Pharmaceuticals will be added according to a previously communicated press release.

PERSONELL

On September 30th, 2020, Swedencare had a total of 64 employees in Sweden (9), England (4), France (2), USA (25), Ireland (14), Spain (1) and Greece (9). The gender distribution is 50% men and 50% women. As of September 30th, 2019, Swedencare had a total of 33 employees. The increase in the number of employees is mainly due to the acquisition of Biovet with 9 employees and Stratford's operations with 20 employees.

STOCK

	30 Sep 2020	30 Sep 2019	30 Sep 2018	30 Sep 2017
Number of shares at the end of the period	19 301 980	15 770 622	15 770 622	15 770 622
Share price at the end of the period	204,0	72,0	60,0	23,8

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

	NUMBER OF SHARES	OWNERSHIP
Håkan Svanberg & Co Health Care AB	4 631 455	23,99%
DNCA Investments	1 526 136	7,91%
JCC Group Invest Sweden AB (<i>Johan Bergdahl through company</i>)	1 517 351	7,86%
Mastan AB (<i>Håkan Lagerberg through company</i>)	1 110 362	5,75%
AMF Aktiefond Småbolag	926 000	4,80%
SEB Nanocap	734 172	3,80%
Aktia Asset Management	658 873	3,41%
SHB Fonder	618 000	3,20%
Joh. Berenberg, Gossler & Co. KG Act oBo Universal Inv. Funds	585 822	3,04%
Enter Småbolagsfond	326 710	1,69%
Investment AB Spiltan	300 000	1,55%
Martin Shimko - MD Swedencare USA	290 000	1,50%
Consensus Småbolag	272 000	1,41%
RBC Investor Services Bank S.A - NEW	245 000	1,27%
Nordnet Pensionsförsäkring AB	238 289	1,23%
ML, Pierce Fenner & Smith Inc.	222 173	1,15%
Swedbank Robur Microcap	220 000	1,14%
IKC Fonder AB - NEW	207 000	1,07%
Lannebo Nanocap	205 000	1,06%
Hans Persson - MD Swedencare France	199 750	1,03%
Tedcap AB (<i>Thomas Eklund through company</i>)	190 000	0,98%
Fondita Nordic Micro Cap Investment	184 769	0,96%
Grandeur, Fund BBHBOS	170 982	0,89%
BFCM P/C BFCM Sweden Retail LT	162 775	0,84%
Cbny-Mkpgue Nab Acf Pie Growth UK	160 000	0,83%
Avanza	124 891	0,65%
Per Malmström Consulting AB	123 000	0,64%
Cbny-Mkjgro Nab Acf Juno Kiwisaver	100 000	0,52%
Other	3 051 470	15,81%
Total	19 301 980	100,00%
Free Float*	11 694 812	60,59%

Holdings include related parties

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

WE ARE PRESENT WORLDWIDE

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

On September 24, Swedencare acquired the British company Nutravet (UK) Limited. The company, founded by Matthew Shaw in 2008, is today the UK's leading "exclusive-to-vet" company with thousands of veterinary clinics and animal hospitals on its customer list. In 2017, a collaboration was initiated with Europe's leading veterinary chain, which has a large network of clinics and animal hospitals in 11 countries. Until now, the collaboration has been intended for clinics in the UK, but will be extended to apply to the chain's other markets. The product portfolio, which is self-developed, covers most therapy areas in addition to dental products, this is where Swedencare's flagship product ProDen PlaqueOff® will complement the customer offering.

nutravet®



"Through the acquisitions of Nutravet and Animal Pharmaceuticals, we create a unique group consisting of various growth-driven and profitable companies active in animal health. It is fantastic to be able to add two more high-quality and profitable companies to the Swedencare family."

- Håkan Lagerberg
CEO, Swedencare

On September 24, Swedencare acquired the operations of the American animal health company Animal Pharmaceuticals Inc. The operation, which was founded by Jason Braun in 2003, today reaches approximately 8 500 veterinary clinics with its broad product portfolio, making the company one of the leaders in the US veterinary channel. The product portfolio, which is in-house developed, covers a number of therapy areas where dermatology and fur care products account for just under 60%.

ANIMAL
pharmaceuticals





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
- ⑦ Odessa, Florida, USA

A sneak peak at some of our new branding profile.

Swedencare continues to conduct clinical trials regarding ProDen PlaqueOff®. The latest studies for our ProDen PlaqueOff® CAT product were completed during the quarter.

Kick-off meeting of our new team at Stratford and Animal Pharmacare.



● Our presence

We are present worldwide

FINANCIAL OVERVIEW

CONSOLIDATED PROFIT AND LOSS (KSEK)

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net revenue	69 566	31 759	139 306	92 686	126 769
Other revenue	-	9	218	101	105
Total revenue	69 566	31 768	139 524	92 787	126 874
Cost of sales	-26 051	-8 361	-45 284	-24 239	-33 823
Gross margin	43 515	23 407	94 240	68 548	93 051
Other external costs	-9 448	-5 505	-26 615	-17 034	-25 190
Personnel costs	-13 197	-6 591	-28 901	-20 228	-28 330
EBITDA	20 870	11 311	38 724	31 286	39 531
Depreciation and amortization	-1 364	-792	-3 041	-2 228	-3 158
Other costs*	-864	476	-656	1 273	541
EBIT	18 642	10 995	35 027	30 331	36 914
Financial costs	-504	-35	-555	-188	-224
Result after financial costs	18 138	10 960	34 472	30 143	36 690
Net income before tax	18 138	10 960	34 472	30 143	36 690
Tax on profit	-3 641	-2 085	-6 389	-5 951	-6 777
Net income	14 497	8 875	28 083	24 192	29 913

* Includes exchange rate differences

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KSEK)

Net income	14 497	8 875	28 083	24 192	29 913
Exchangedifference foreign subs.	-2 678	960	-3 290	2 259	998
Total profit	11 819	9 835	24 793	26 451	30 911

CONSOLIDATED BALANCE SHEET (KSEK)

	30 Sep 2020	31 Dec 2019	30 Sep 2019
ASSETS			
Non current assets			
<i>Intangible assets</i>			
Goodwill	118 650	49 140	49 848
Other intangible assets	64 531	3 020	161
<i>Tangible assets</i>			
Buildings and land	26 059	8 204	8 480
Machinery and other tech assets	5 692	5 427	5 961
Tools, furnitures and fixtures	3 456	1 997	2 332
<i>Financial assets</i>			
Other financial assets	61	61	62
Deferred tax asset	1 124	994	968
Total non current assets	219 573	68 843	67 812
Current assets			
Inventory	31 253	15 295	13 858
Accounts receivable	44 235	17 433	20 986
Other receivable	672	876	351
Prepaid costs and deferred revenue	2 524	1 263	1 760
Cash	408 661	45 737	40 063
Total current assets	487 345	80 604	77 018
TOTAL ASSETS	706 918	149 447	144 830

EQUITY AND LIABILITIES

Equity			
Share capital	965	790	789
Reserves	22	22	22
Retained earnings incl. NI	607 664	130 516	123 909
Total equity	608 651	131 328	124 720
Long term liabilities			
Debt to credit institutions	34 375	-	-
Other long term liabilities	18 021	1 961	2 388
Short term liabilities			
Debt to credit institutions	12 500	-	-
Accounts payable	14 814	5 434	6 982
Tax liabilities	2 249	1 948	2 642
Other liabilities	8 604	5 379	4 588
Deferred costs and prepaid income	7 704	3 397	3 510
Total liabilities	98 267	18 119	20 110
TOTAL EQUITY AND LIABILITIES	706 918	149 447	144 830

CONSOLIDATED CASH FLOW STATEMENT (KSEK)

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Operating income after financial costs	18 138	10 960	34 472	30 143	36 690
Depreciation	1 364	792	3 041	2 228	3 159
Paid tax	-2 958	-1 624	-6 214	-4 457	-6 097
Change in working capital	-8 168	-1 157	-10 855	-3 174	-624
Cash flow from operating activities	8 376	8 971	20 444	24 740	33 128
<i>Investment activities excl. leasing</i>					
Acquisitions	-157 763	-	-157 763	-	-1 926
Purchases of buildings	-	-6	-84	-408	-397
Purchases of machines	-	-187	-174	-1 120	-1 143
Purchases of tools, furnitures and fixtures	-315	-650	-382	-1 337	-1 647
Cash flow from investments	-149 702	8 128	-137 959	21 875	28 015
<i>Financial activities</i>					
New share issue	335 062	-	463 591	-	-
Paid dividend	-	-	-11 061	-	-
Loan	50 000	-	50 000	-	-
Amortization on interest-bearing loan	-3 125	-6 750	-3 125	-9 000	-9 000
Amortization on lease	631	-432	1 478	-1 280	-1 774
Cash flow for the period	232 866	946	362 924	11 595	17 241
Cash balance at beginning of period	175 795	39 076	45 737	28 435	28 435
Exchange difference in cash	-	41	-	33	61
Cash balance at end of period	408 661	40 063	408 661	40 063	45 737

CONSOLIDATED CHANGE OF EQUITY (KSEK)

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Beginning balance of equity	261 770	114 885	131 328	98 269	98 269
New share issue	335 062	-	463 591	-	2 148
Paid dividend	-	-	-11 061	-	-
Total profits	11 819	9 835	24 793	26 451	30 911
Ending balance of equity	608 651	124 720	608 651	124 720	131 328

CONSOLIDATED KPI'S (KSEK)

	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	Jan-Dec 2019
Net Revenue	69 566	31 759	139 306	92 686	126 769
Total Revenue	69 566	31 768	139 524	92 787	126 874
EBIT	18 642	10 995	35 027	30 331	36 914
Net Income	14 497	8 875	28 083	24 192	29 913
Balance Sheet Total	706 918	144 830	706 918	144 830	149 447
Equity	608 651	124 720	608 651	124 720	131 328
Change of Revenue (%)	119,0%	32,0%	50,4%	29,6%	27,7%
Gross Margin (%)	62,6%	73,7%	67,5%	73,9%	73,3%
EBIT-margin (%)	26,8%	34,6%	25,1%	32,7%	29,1%
Net Income margin (%)	20,8%	27,9%	20,1%	26,1%	23,6%
Solvency (%)	86,1%	86,1%	86,1%	86,1%	87,9%
Interest-bearing netdebt	-343 765	-37 675	-343 765	-37 675	-43 776
Cash	408 661	40 063	408 661	40 063	45 737
Outstanding Shares	19 301 980	15 770 622	19 301 980	15 770 622	15 801 980
Average outstanding shares	17 432 415	15 770 622	16 382 272	15 770 622	15 778 462
Earnings per share (SEK)	0,83	0,56	1,71	1,53	1,90
Equity per share (SEK)	31,53	7,91	31,53	7,91	8,31

DEFINITION OF KPI'S

Net revenue
The main revenue of the Company

Change of revenue (%)
Total revenue in relation to the previous corresponding period

Gross profit
Sales revenue minus costs for raw materials and components

Gross margin (%)
Gross profit as a percentage of total revenue

EBITDA
Operating profit before depreciation and other operating

expenses
EBIT
Operating profit

EBIT-margin (%)
Operating profit before fin. costs and taxes as a percentage of total revenue

Net income margin (%)
Profit after tax as a percentage of total revenue

Solvency (%)
Equity (equity and untaxed reserves minus deduction for deferred tax) calculated as a

percentage of total assets
Interest-bearing netdebt
Interest-bearing debt including leasing minus cash

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

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

REVENUE BREAKDOWN

GROUP (KSEK)	Jan-Sep 2020	Jan-Sep 2019	Change %
<i>Product areas</i>			
ProDen PlaqueOff®	92 186	78 686	17%
Nutraceuticals	19 583	12 969	51%
Topicals/Dermatology	22 283	-	-
Other	5 254	1 031	410%
Total	139 306	92 686	50%
<i>Time of revenue recognition</i>			
The performance commitment is met over time	-	-	-
The performance commitment is met at a certain time	139 306	92 686	50%
Total	139 306	92 686	50%
<i>Geographic market</i>			
Sweden	4 720	3 919	20%
UK/Ireland	26 765	22 862	17%
Rest of Europe	28 139	21 531	31%
North America	60 515	26 768	126%
China	7 079	9 497	-25%
Rest of Asia	9 707	7 358	32%
Rest of the World	2 381	751	217%
Total	139 306	92 686	50%

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.

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 OKTOBER 22ND 2020



Håkan Lagerberg
CEO and Board Member



Per Malmström
Board Chairman



Sara Brandt
Board Member



Håkan Svanberg
Board Member



Thomas Eklund
Board Member

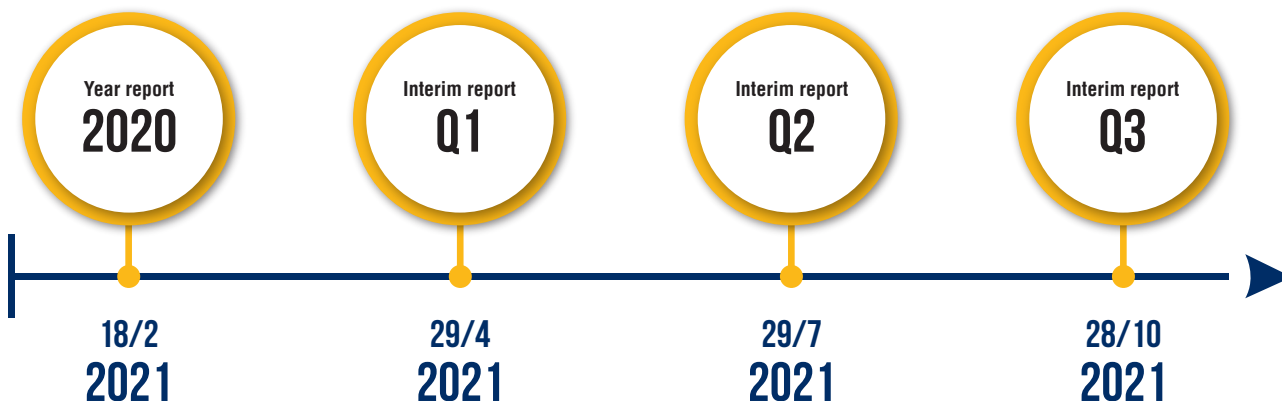


Johan Bergdahl
Board Member

AUDITOR'S REVIEW

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

FUTURE REPORTING SCHEDULE



CONTACT

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