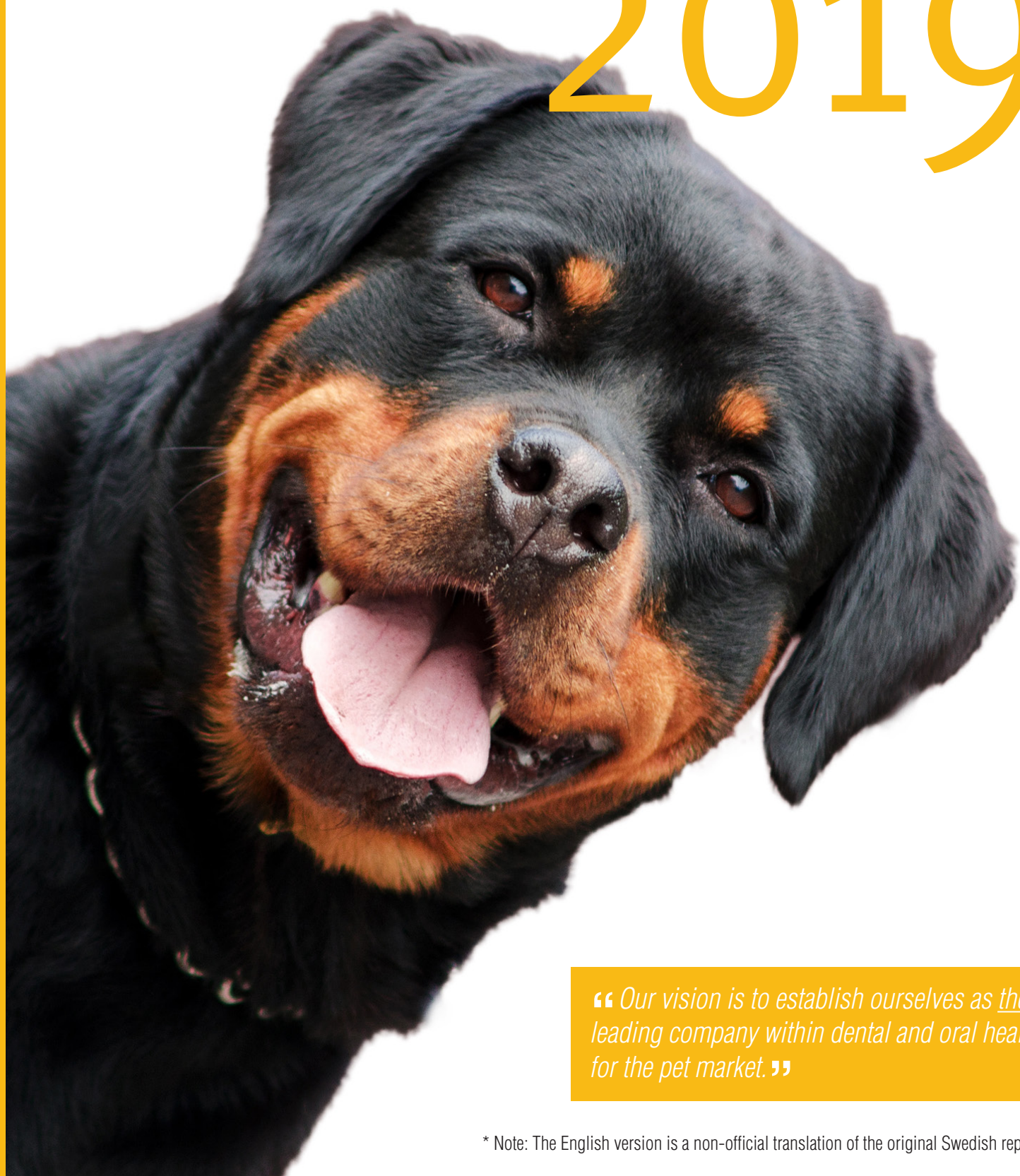


HALF YEAR REPORT

April-June

2019



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



SWEDENCARE

ABOUT SWEDENCARE

Swedencare develop, produce, market and sell premium products on the global and fastgrowing market within animal healthcare for cats, dogs and horses. The product groups ProDen PlaqueOff® and NutriScience are represented on approximately fifty markets in all parts of the world, including the headquarter in Malmö, six subsidiaries in the France, Spain, 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 objective is to achieve sales in excess of 200 MSEK in 2020, with an EBITDA margin exceeding 30%.

DIVIDEND

Swedencare has a long-term ambition to pay dividend to its shareholders. However, the board has decided to prioritize growth through acquisitions of companies and/or rights linked to supplementary products. The ambition is to achieve sales in excess of 200 MSEK in 2020. The board intends to come back regarding the dividend policy when the ambition of annual sales exceeding 200 MSEK has been achieved.



CONTINUED STRONG SALES DEVELOPMENT WITH THE US AND ASIA IN THE LEAD

SUMMARY OF THE PERIOD

SECOND QUARTER: APRIL 1ST – JUNE 30TH 2019

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

- Net revenue amounted to 30,376 KSEK (25,669 KSEK), an increase of 18%
- Organic, currency-adjusted growth amounted to 15%
- Operating profit before depreciation (EBITDA) amounted to 9,158 KSEK (7,125 KSEK), corresponding to an increase of 29% and an EBITDA margin of 30,1% (27.7%)
- Operating profit after depreciation (EBIT) amounted to 8,657 KSEK (7,420 KSEK), corresponding to an increase about 17% and an EBIT margin of 28,4% (28.8%)
- Profit after tax amounted to 6,809 KSEK (5,815 KSEK)
- Earnings per share calculated on 15,770,622 shares 0,43 SEK (0,37 SEK)
- As of June 30th, 2019, cash amounted to 39,076 KSEK (24,972 KSEK)

FIRST 6-MONTHS: JANUARY 1ST – JUNE 30TH 2019

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

- Net revenue amounted to 60,926 KSEK (47,353 KSEK), an increase of 29%
- Organic, currency-adjusted growth amounted to 23%
- Operating profit before depreciation (EBITDA) amounted to 19,974 KSEK (13,184 KSEK), corresponding to an increase of 52% and an EBITDA margin of 32.7% (27.7%)
- Operating profit after depreciation (EBIT) amounted to 19,335 KSEK (13,432 KSEK), corresponding to an increase of 44% and an EBIT margin of 31.7% (28.3%)
- Profit after tax amounted to 15,317 KSEK (10,616 KSEK)
- Earnings per share calculated on 15,770,622 shares 0,97 SEK (0,67 SEK)
- Cash flow from operating activities amounted to 15,769 KSEK (7,763 KSEK)
- Foreign exchange gains amounted to 797 KSEK

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

DNCA – Invest Beyond Global Leaders and Invest Norden Europe, which is an international institution, becomes a new major shareholder of Swedencare AB (publ).

SIGNIFICANT EVENTS AFTER THE SECOND QUARTER

There are no significant events after the end of the second quarter to report.

WORDS FROM THE CEO

Solid development during Q2 – continued good growth and despite increased investments, a good margin

The second quarter net sales of 30,4 MSEK represents an increase of 18% compared to Q2 2018. The result developed even better and we showed an EBITDA of 9,2 MSEK, an increase of 29% compared to 2018. The EBITDA margin was 30.1%, just above our 30% profit target.

Most markets showed continued good development in the aftermath of a very strong Q1. North America continues to deliver, this time with a 54% increase in sales, despite the fact that it was not until June we were able to deliver the first batch of the now US-made Dental Bites. Having noted the sale of Dental Bites for the first time this year, I look forward to being able to meet the demand of the product in the US market and to be able to report it in future reports. Furthermore, it was first in June that we caught up with our back orders for Dental Bones for which the demand has been very high. We have made investments to be able to double the production of Dental Bones, something we expect to achieve during early autumn. We have also expanded our sales force with a very experienced person in Paul St. Germain responsible for the northeastern US and eastern Canada. Paul joined us in May and has already delivered.

The UK was good but not quite as good as the strong Q1 which was somewhat affected by the fact that some of our customers ordered unusually much considering the risk of a hard Brexit. Despite moving Spain into a separate company, Southern Europe is increasing its turnover and this to a considerably higher profit margin. France, Portugal and Greece are the countries mainly moving forward. Among other things, a Dental Bones campaign was conducted in Greece that sold out in one month to compare with the plan that it would last for three months.



Spain will be a much better market for us in the future, with the establishment of our own subsidiary. We have now signed up regional distributors covering the whole country and we have already been able to deliver small orders to some. However, it was only on July 1st as we got back all the sales rights in Spain, hence Q2 mostly consisted of establishing contacts, logistics and marketing. During Q2, the start up of our own sales company in Spain affected the result by approx 660 KSEK, but now we are well prepared to start showing black figures in the second half. Our production facility in Ireland takes over more and more of our ProDen PlaqueOff® production and in order to switch up, we have carried out a GMP inspection and hope to obtain an approval during the year. We also work to get our factory approved for Chinese exports, which in that case would open up many business opportunities for our product family NutriScience. It is an extensive process, but both we and our partner in China are working hard to get an approval.

Regarding the rest of the world, it was mainly Asia that was strong in the quarter, while Russia and the Czech Republic increased a lot percentage wise. China, which had a very strong Q2, increased its purchases from us somewhat while their sales increased by over 80%. This means that during the second half of the year we

will see higher deliveries from us as our partner has now optimized their inventory. Shipments to Korea and Japan increased by over 70% in Q2 and it will be interesting to follow up the introduction of our cat version of ProDen PlaqueOff® powder in Japan which will be launched in Q3.

Last year, we had major deliveries to Australia during the first half of the year, while the completed first half of 2019 has proceeded according to plan without follow-up orders. Our relaunch continues to do well, something I saw myself in May when visiting our Australian partners. During the second half of the year, we look forward to new orders to deliver, while our partner is working to expand the product range from us.

I am extremely pleased with the development of the first half of 2019 and I feel confident that the second half will mean a continued strong development as we have a very positive momentum in our most important markets and many new business projects that will have a positive impact on us. For myself spring has also been busy with many investor relations. Our high growth and our good results have attracted the interest of many new, mainly international stakeholders. We therefore see that our international sales network now also gets a counterpart in an increasingly international ownership.

In meetings with analysts and shareholders, we are often asked how we look at supplementing organic growth with acquisitions. Of course, if we make an acquisition, this will be communicated in the usual order, but I can confirm that we are still actively working on our acquisition strategy. During the autumn, the Board intends to communicate the company's new financial goals and in the process to establish these, a review of potential acquisitions which would contribute positively to our product offering, our market presence and to the company's growth and earnings development will be completed.

I hope you all have a great summer, I myself look forward to a few weeks off before it is time to go to the US for SuperZoo in mid-August where we will launch our new Mini Dental Bones – one of many exciting business development projects this fall and winter!

Thank you,



*Håkan Lagerberg, CEO
Malmö July 26th 2019*



A Big Idea Just Got Smaller!

PlaqueOff System® **MINI** DENTAL CARE BONES
Exclusively for Mini & Toy Breeds
The Only Dental Chew on the Market Today with the PlaqueOff System®
Same Great Formula – One with Added Blueberry

Now Available!

NEW for 2019! MINI Dental Care Bones
Come See Us at SuperZoo – Booth #2849

PlaqueOff

ProDen® SUPPORTS NORMAL AND HEALTHY TEETH, GUMS AND BREATH ODOR.

Vegetable Fusion

Vegetable Fusion & Blueberry

NEW ABRASIVE ACTION
FRESHEN TEETH & FRESHEN BREATH

KPI'S Q2 2019

NET REVENUE
30 376 KSEK

CHANGE
IN NET
REVENUE
18%

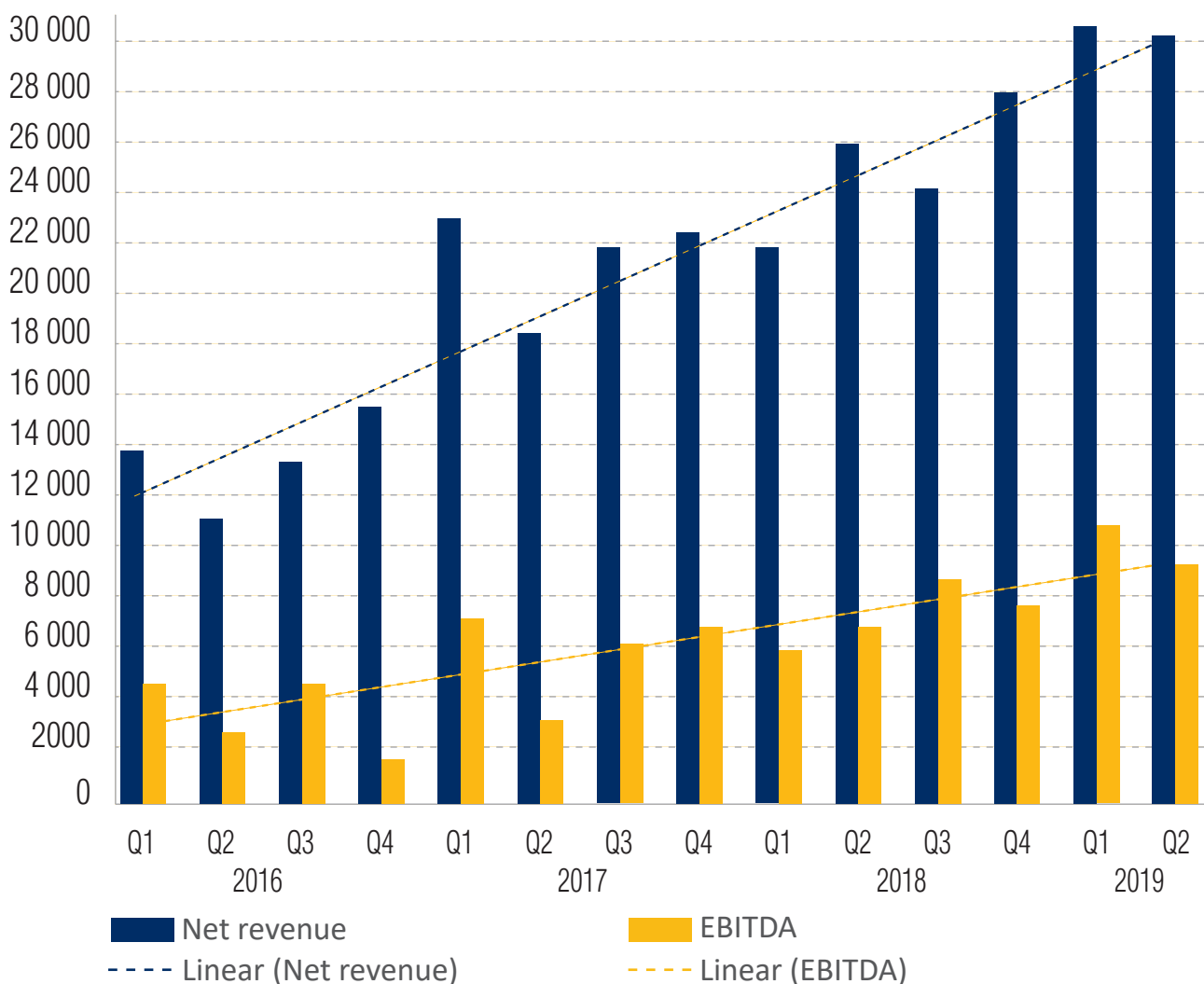
EBIT
8 657 KSEK
EBIT
MARGIN
28.4%

EARNINGS
PER SHARE
0,43 SEK

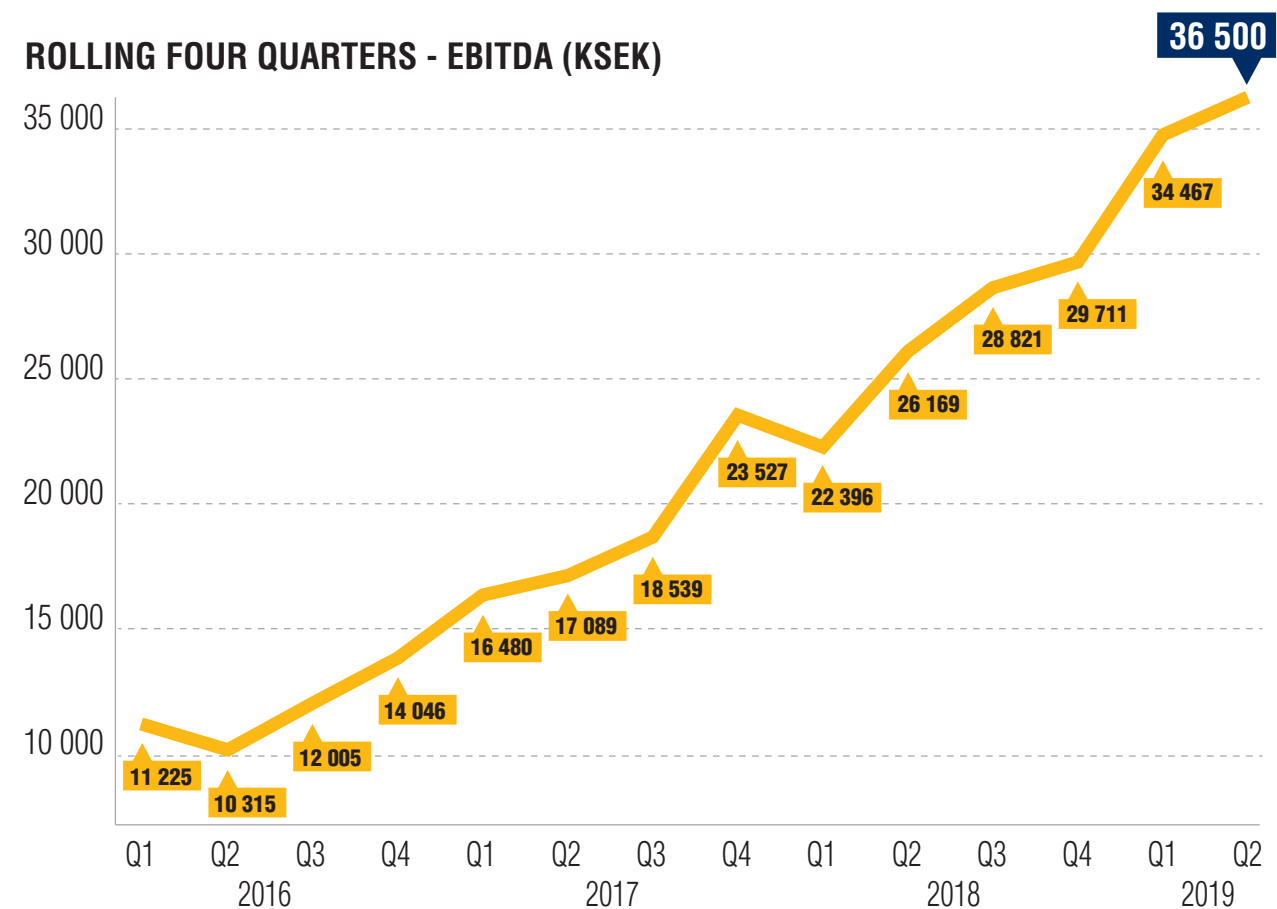
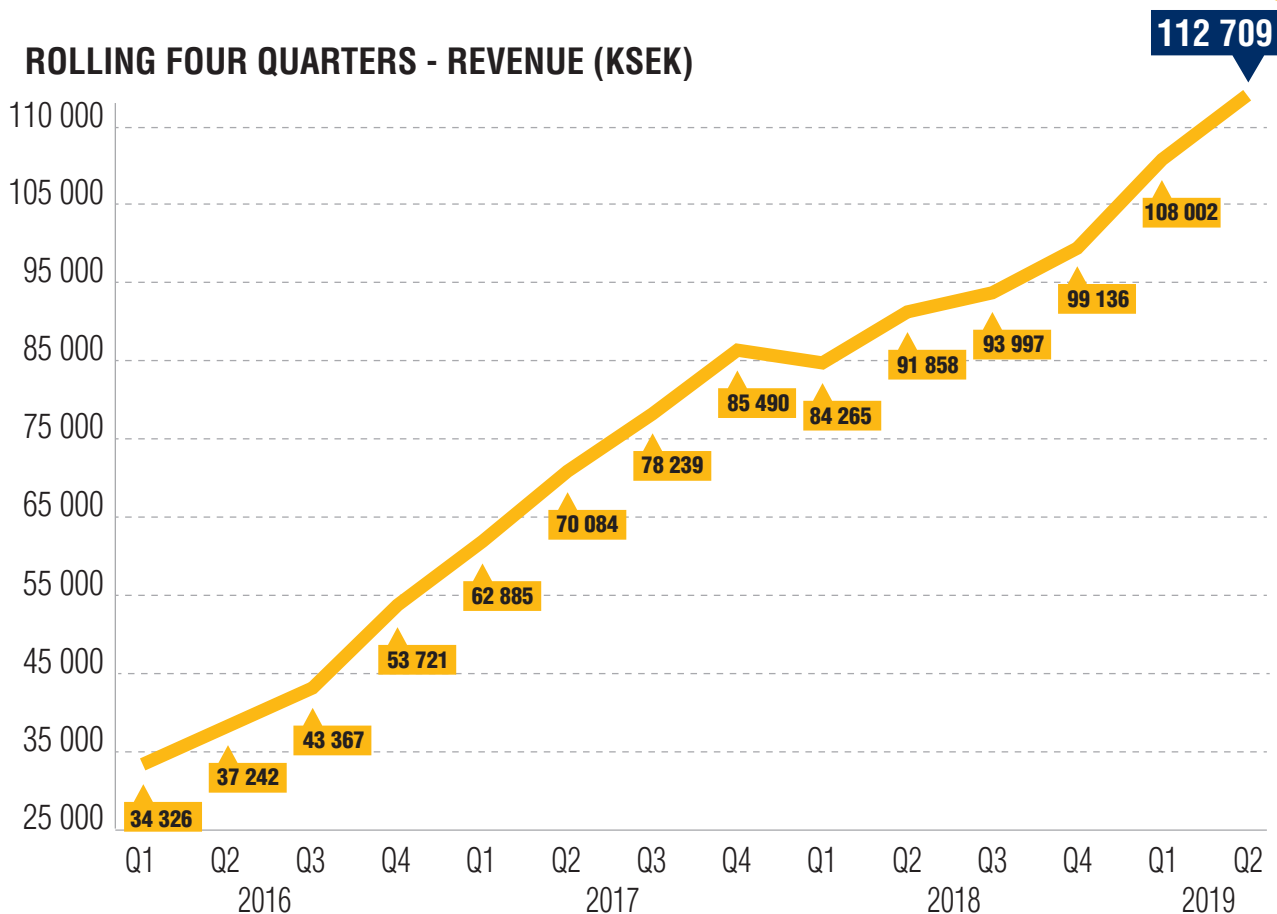
CASH
39 076 KSEK

SOLVENCY
83.3%

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



Additional KPI's and definitions can be found on page 22.



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

COMMENTS ON THE FINANCIAL DEVELOPMENT Q2 2019

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

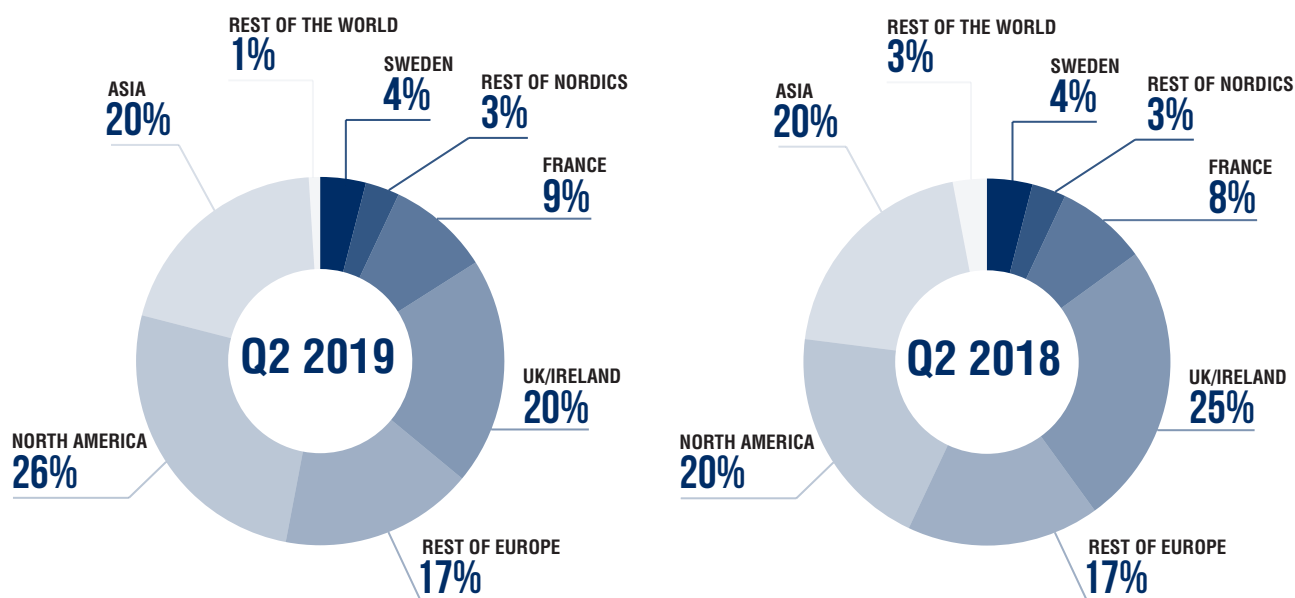
NET REVENUE

Net sales during Q2 increased by 18% to 30,376 KSEK (25,669 KSEK) compared with the previous year. The increase is mainly due to the fact that all product groups have growth during the quarter and that there is continued strong growth in North America and Asia. Organic growth was 15% in the second quarter.

GEOGRAPHIC DISTRIBUTION

North America, which was somewhat restricted by delayed productions, had at the end of Q2 the opportunity to deliver all products and flavors, which contributed to a 54% increase in sales compared to last year, the sub-market represented 26% of the Groups total sales in Q2 2019. Asia continues to grow at a high pace - the sub-market increased sales by 20% and got a shared second place in terms of size together with UK / Ireland. Asia's 20% of the Group's sales during Q2 are distributed mainly between China, which represents 10%, and Korea that has also received large deliveries and represents 5% of total sales during the quarter. Japan has doubled compared to the same period last year and represents 3% of total sales during the quarter. The UK had a "hangover" during Q2 after a record quarter in Q1, as a continued unstable Brexit situation may have had a positive impact on our sales. It is satisfying to see that France has recovered from a weaker first half of 2018 with a sales increase of 31%.

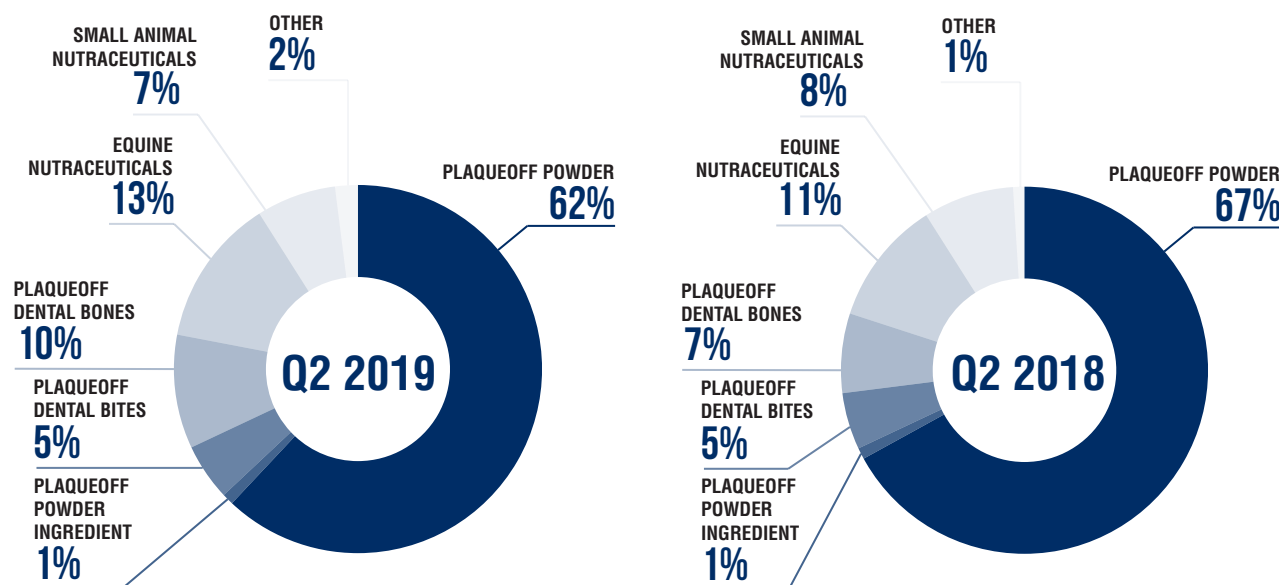
During Q2 2019 and Q2 2018, the geographical sales were distributed according to the graphics.



PRODUCT DISTRIBUTION

As previously commented, at the end of the quarter we have begun to produce Dental Bites in the US for the North American market. After nearly a year of only marginal sales of the product in the US, sales have now taken off again, resulting in an increase of 17% for the product group. Dental Bones continue to be successful in the markets they are launched, the success are noticeable in the US where the bones accounted for 30% of sales during the quarter. The product group has increased by 60% and now represents 10% of total sales. The sale of Powder Ingredient used for pet food producers is increasing by 54% with the increased demand and the increased cooperation with Canagan.

During Q2 2019 and Q2 2018 sales per product group were distributed according to the graphics.



PROFIT

Operating profit after depreciation and amortization (EBIT) for the second quarter of 2019 amounted to 8,657 KSEK (7,420 KSEK), corresponding to an operating margin of 28.4% (28.8%). A slightly lower gross margin, 71.7% compared to 72.0% in 2018, is mainly due to increased Dental Bone sales, a product group with slightly lower margins than other product groups. The increased personnel costs are partly due to a reclassification between external costs and personnel costs as well as new sales staff. The company continues to increase its marketing efforts, but as there has been reclassifications, these do not increase in comparison with the corresponding quarter of 2018. During the quarter, the result was also impacted by 660 KSEK for overhead costs in connection with the new subsidiary Swedencare Spain, without this the operating margin would have been 30.6%.

Depreciation of tangible and intangible fixed assets is affected by IFRS16 Leasing agreements, which means that the Group's lease agreements and cars are also reported in the balance sheet as of 2019. For the quarter, this amounted to 342 KSEK of the total depreciation. Exchange rate fluctuations affected EBIT in Q2 with a exchange gain of 226 KSEK.

Profit after tax for the second quarter of 2019 amounted to 6,809 KSEK (5,815 KSEK) corresponding to a profit margin of 22.4% (22.6%).

Earnings per share during the second quarter amounted to 0,43 SEK (0,37 SEK), based on the number of outstanding shares (15,770,622) as of June 30th, 2019.

COMMENTS ON THE FINANCIAL DEVELOPMENT H1 2019

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

NET REVENUE

Another quarter with more than 30 MSEK in net sales means a first half year with net sales of 60,926 KSEK (47,353 KSEK), which represents an increase of 29% in the first half compared to the previous year. Asia and North America are the fastest growing and now represent almost half (48%) of total sales compared to 38% in the corresponding period last year.

Organic growth was 23% during the first half of the year.

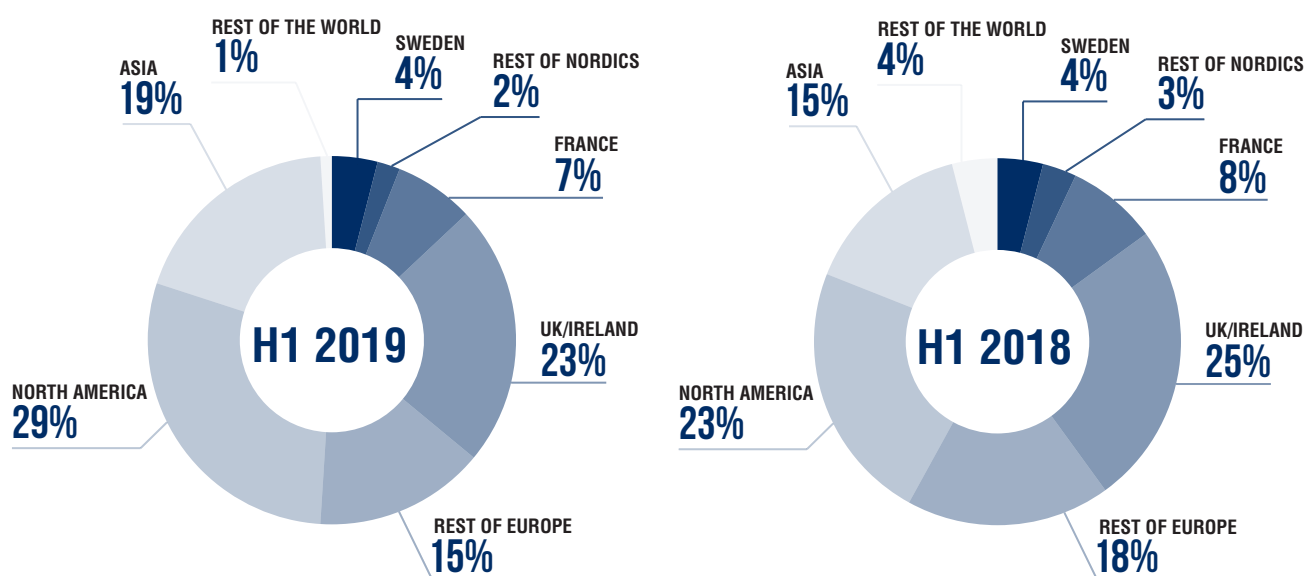
GEOGRAPHIC DISTRIBUTION

During the first half of the year, Asia increased by 64% and now represents 19% of total sales compared to 15% in the corresponding period last year. China as the largest market in Asia accounts for 10% in H1 2019.

The market in North America also continues to move strongly forward with an increase of 65% compared to the corresponding period last year. North America represents 29% of the Group's total sales and thus continues to be our largest market.

In H1 2018, Rest of the World represented 4% of the Group's sales, this quarter it is 1%. This is because last year we delivered both to Australia and Brazil and so far this year we have not had any deliveries to these markets.

During H1 2019 and H1 2018, the geographical sales were distributed according to the graphics.



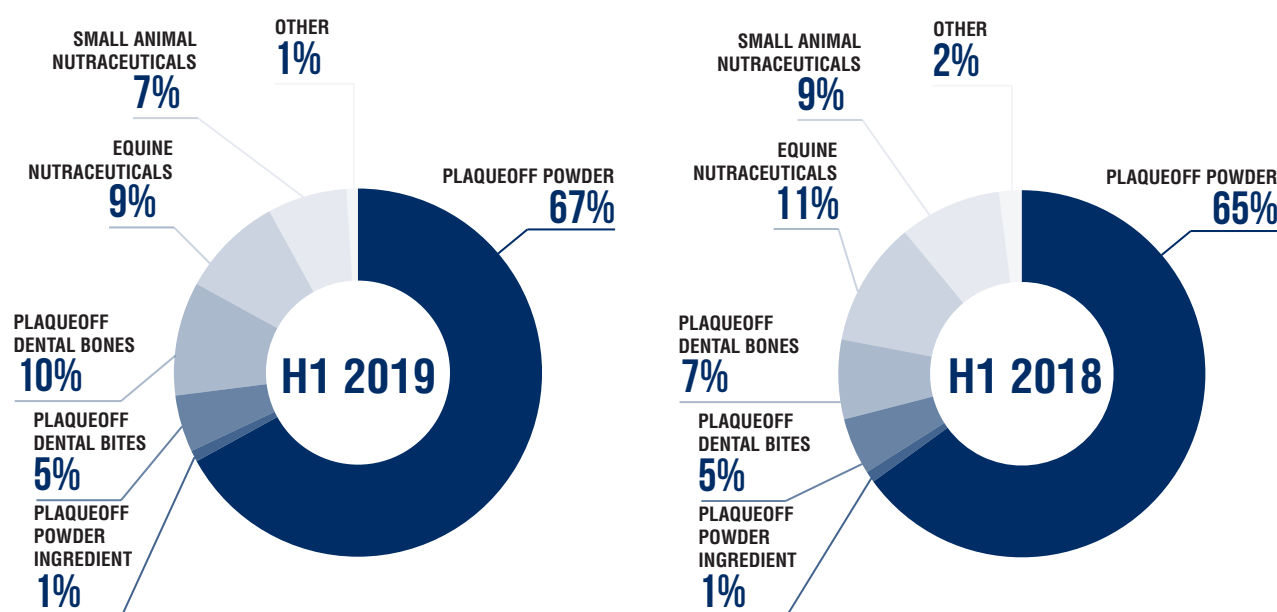
PRODUCT DISTRIBUTION

All products within the ProDen PlaqueOff® product line are increasing compared to the corresponding period last year. Dental Bones continues to be the fastest growing product, sales have almost doubled compared to the first half of 2018 and now represent 10% of Group sales, compared with 7% in the corresponding period last year. In North America, where it was first launched, it already represents 28% of total sales.

Although PlaqueOff Powder, our flagship product, is well established in our markets, it continues to grow rapidly - during the first half of the year, growth was 32% compared with the same period last year.

Powder Ingredient has increased by 48% compared to H1 2018.

During H1 2019 and H1 2018 sales per product group were distributed according to the graphics.



PROFIT

Operating profit after depreciation and amortization (EBIT) during the first half of 2019 amounted to 19,335 KSEK (13,432 KSEK), corresponding to an operating margin of 31.7% (28.3%) - above the company's long-term profitability targets. A higher gross margin of 74.0%, compared with 72.5% in H1 2018, was mainly affected by fewer first-time discounts on Dental Bones. Exchange rate fluctuations affected EBIT during H1 with a exchange gain of 797 KSEK.

Profit after tax for the second quarter of 2019 amounted to 15,317 KSEK (10,616 KSEK) corresponding to a profit margin of 25.1% (22.3%).

Earnings per share during the second quarter amounted to 0,97 SEK (0,67 SEK) in the second quarter of 2019, based on the number of outstanding shares (15,770,622) as of June 30th, 2019.

CASH FLOW

Cash flow from operating activities amounted to 7,301 KSEK (5,672 KSEK) during the second quarter of 2019.

During the second quarter of 2019, cash flow amounted to 3,839 KSEK (2,473 KSEK). Cash flow was affected by continued investments in the new factory and logistics property in Ireland, as well as establishing a subsidiary in Spain. In connection with IFRS16, the amortization also increased. During the quarter 2,250 KSEK was amortized on the loan.

During the first half year 2019, cash flow from operating activities amounted to 15,769 KSEK (7,763 KSEK) and cash flow for the period was 10,650 KSEK (930 KSEK).

FINANCIAL POSITION

Swedenare's equity, as of June 30th 2019, amounted to 114,885 KSEK (86,146 KSEK), of which 811 KSEK (811 KSEK) was restricted equity.

Swedencare's cash amounted to 39,076 KSEK (24,972 KSEK) at June 30th 2019, at the same date the Group had interest-bearing long-term and short-term liabilities totaling 9,462 KSEK (16,206 KSEK). 6,750 KSEK of the long-term and short-term interest-bearing liabilities relate to acquisition loan. Swedencare has a net cash which, as of June 30th 2019, amounted to 29,614 KSEK (8,766 KSEK).

PERSONELL

On June 30th 2019, Swedencare had a total of 32 employees in Sweden (7), England (4), France (2), USA (5), Ireland (13) and Spain (1). The gender distribution is 53% women and 47% men. As of June 30th 2018, Swedencare had a total of 29 employees. The increase from the previous year is sales staff in the USA, Spain and Ireland.

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 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 half year report has been prepared in accordance with IAS 34, Interim Financial Reporting for the Group. The Parent Company applies the ÅRL and RFR 2 Accounting in Legal Entity. The same consolidation principles, as well as accounting and evaluation principles have been used as in the latest Annual report. Since 2019 the group applies IFRS 16 Leasing which includes rental and car lease agreements in the balance sheet. This does not have a material impact on the result.

IFRS 16 LEASES

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

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

RELATED PARTY TRANSACTIONS

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

REVENUE BREAKDOWN

GROUP (KSEK)	Jan-Jun 2019	Jan-Jun 2018
Products		
PlaqueOff Powder	40 621	30 882
PlaqueOff Powder Ingredient	417	282
PlaqueOff Dental Bites	3 000	2 328
PlaqueOff Dental Bones	6 299	3 266
Equine Nutraceuticals	5 581	5 403
Small Animal Nutraceuticals	4 244	4 344
Other	764	848
Total	60 926	47 353
Time of revenue recognition		
The performance commitment is met over time	-	-
The performance commitment is met at a certain time	60 926	47 353
Total	60 926	47 353
Geographic market		
Sweden	2 545	1 990
Rest of Nordics	1 541	1 446
France	4 301	3 840
UK/Ireland	13 768	11 806
Rest of Europe	8 882	8 645
North America	17 792	10 797
Asia	11 639	7 086
Rest of the World	458	1 743
Total	60 926	47 353

SOCIAL MEDIA INFLUENCERS



BEFORE & AFTER



strummer_acd ***this post is NOT sponsored, it's just a legit testimonial of a product we use***
Okay, you guys. This stuff is absolutely incredible. The top photo was taken at the beginning of March, and the bottom was just taken. @plaqueoff has made SUCH a difference in my oral health I can't even believe it! It is absolutely worth every penny and it's working on @cult_of_luu's teeth as well!!! Mom just bought the human version for herself, too! -
#redheelerlove #redheeler #redheelersofinstagram #acd #aucado #australiancattledog #cattledognation #cattledoglove #cattledog #cattledogsofinstagram #blueheeler #purpleheeler #queenslandheeler #rawfed #rawdiet #ilovemydog #dogface #dogsofeastvan #heeler #heelers #heelerlove #heelersofinstagram #heelernation #heelerpride #redheelers #heelah #cattledogs #dingodog #aussiecattledog #plaqueoff



tamberwolf Okay, here is my unpaid thumbs up for the @plaqueoff canine dental care product. This is after 5 weeks of daily use. Explanation below.

Earlier this year, Petra broke her large upper premolar and had to have it removed. This makes it difficult for her to remove plaque on the right side of her mouth by chewing alone, and the buildup on that side happened fast. The top photo was before we started Plaque Off - note that this is a couple months after she had her teeth cleaned under anesthesia.

All of my colleagues in the pet industry who had tried Plaque Off said it was the bomb, so I gave it a shot. It's seriously the easiest dental care plan you can imagine - drop a tiny scoop of this seaweed on your dog's daily meal, and the alga does the work for you. I really wanted this product to work, and I'm happy to say my suspicions were correct. I feel confident this will drastically decrease the amount of manual teeth cleaning we'll have to do in Petra's lifetime. Take care of your dog's dental health BEFORE they develop problems. Start young, start now.



After using Canagan Dental



WE ARE PRESENT WORLDWIDE

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

"The ProDen PlaqueOff® system is one of the easiest products to place in the independent segment. It takes little effort to train store personnel on how to recommend, insuring frequent turns. Customers quickly see results with their pets, which reflects in trusting their local pet store advisors even more."

- Bruce Harrison
Director of Sales & Marketing - Natural Animal Nutrition

Despite strong competition, C&M Vetlink, the largest Veterinary distributor of the Nutriscience Small Animal range is up by 53% compared to Q2 in 2018 and sales have increased by 68% on last year so far YTD.

"Despite a highly competitive current market place, we've received a solid level of engagement and support from Swedencare Ireland of late. We had a great visit to the new production facility and overall we're impressed and excited to be part of the Swedencare success story going forward."

- John McNally
Small Animal Sales Manager - C&M Vetlink

"NVS & Swedencare UK Ltd have been in partnership since 2004 in which time, from an initial order of 12x60g pots of PlaqueOff Animal on a sale or return basis, Swedencare have grown to be one of our largest suppliers in the Oral Care & Supplements category. We continue to work with Swedencare UK Ltd to develop & create awareness in the Oral Care category within UK Veterinary Practices..."

-Naomi McCallum
Purchasing Director - NVS Ltd

Paul St. Germain – Territory Manager SwedencareUSA

SwedencareUSA is happy to welcome Paul St. Germain as our newest Territory Manager. He has hit the ground running managing the Northeast United States and Eastern Canada markets.

As Territory Manager for SwedencareUSA, he is responsible for all sales, distribution and direct retail accounts in his region. Paul is a seasoned sales manager with over 30 years of experience in the pet industry where he developed effective growth strategies for several major brands including Nutro, Merric and Midwestern Pet.

He was also instrumental in extending the reach of Apogee and Rokkos World Products throughout North America.

Paul is based in Minnesota where he has three children, three grandchildren and one really amazing fish tank.



Raquel Tosca – Country Manager Swedencare Spain

Swedencare is excited to have Raquel Tosca onboard as the country manager of the recent opened entity Swedencare Spain.

Raquel has a strong international experience leading teams and creating commercial and marketing strategies in different markets in Europe, Middle East, Asia and Latin America. During last years she has occupied the position of Global Marketing Manager in Laboratorios Calier, an Animal Health company, directing the marketing departments of 12 subsidiaries and promoting the process of brand recognition and corporate communication in 80 countries.

Raquel is based in Barcelona.





SWEDENCARE

"Compared to 2nd quarter of 2018 we had an increase in sales of the PlaqueOff range almost 80% and 38% more customers who bought PlaqueOff. In Q2 of 2019, 6% of the customers were brand new."

The products are well known in the Greek market. Now Dental Bones start becoming every day more popular and people are asking for it. We had 15% more selling points compared to 1st quarter of 2019. We have a very positive feedback from our clients. We strongly believe that in the near future the sales will increase even more."

- Ioanna Psychogiou
Biovet, Greece

Offices

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

During Q2 we arrange together with our Chinese distributor two lecturing trips with the aim to increase product awareness and the importance of pet dental health among pet hospital staff and veterinarian. The first trip in April had a basic training level, aimed for both vet nurses and veterinarians. In total, we visited 6 different cities around the country. The second trip in June was a two days advanced clinical veterinarian dental course by a specialist, held in Shanghai and Beijing.

"We see a constant growth with increased demand especially on pet products and have high expectations to double sales on these within a few years. We have been distributors of Swedencare's PlaqueOff, Stomax and Glucosamin for many years and are now pleased to be able to offer their whole product line."

- Tärje Pennsäter
Sales Manager WeMake - (previous HKC) The largest independent sales- and logistics partner within health and sustainability within the Nordic region.

Troy Laboratories, an Australian company has been promoting PlaqueOff powder for the last 5 years.

"PlaqueOff continues to grow with turnover approx AUD\$ 400k per year. We are looking at obtaining the 5g samples soon and expand our range to Dental Bites and bones."

- Curtis Chapman
Sales & Marketing manager - Troy Laboratories

Our Czech distributor has listed all our PlaqueOff products at the biggest online shopping sight in Czech (Alza.cz, turnover 1billion EUR) as well as just started a new channel for Pet and Vet products which they expect good sales from.

The Swiss market and our distributor, Dentovet/Dentistry-4-Vets, in the veterinary sector increases strongly in 2019 – Sales are up with more than 50% compared to same period last year.

Several new veterinary clinics are using and selling the whole ProDen PlaqueOff® range of dental products.

● Our precense

STOCK

	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016
Number of shares at the end of the period	15 770 622	15 770 622	15 770 622	15 395 500
Share price at the end of the period	78,6	38,5	25,2	19,8

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

	NUMBER OF SHARES	OWERSHIP
Håkan Svanberg & Co Health Care AB	4 690 982	29,75%
Mastan AB (<i>Håkan Lagerberg through company</i>)	1 590 362	10,08%
JCC Group Invest Sweden AB (<i>Johan Bergdahl through company</i>)	1 552 351	9,84%
DNCA Investments - NEW	1 234 500	7,83%
AMF Aktiefond Småbolag	755 000	4,79%
SHB Fonder	500 000	3,17%
Aktia Nordic Micro Cap	496 614	3,15%
Nordnet Pensionsförsäkring AB	361 929	2,29%
Martin Shimko - MD Swedencare USA	300 000	1,90%
Investment AB Spiltan	300 000	1,90%
Avanza	229 156	1,45%
ML, Pierce Fenner & Smith Inc.	222 173	1,41%
JP Morgan, UK - NEW	215 565	1,37%
Hans Persson - MD Swedencare Frankrike	199 751	1,27%
Enter Småbolagsfond	195 000	1,24%
Grandeur, Fund BBHBOS	194 678	1,23%
Tedcap AB (<i>Thomas Eklund through company</i>)	190 000	1,20%
Jonas Pålsson	172 736	1,10%
Aktia Secura	160 000	1,01%
COGEFI - NEW	130 000	0,82%
Per Malmström Consulting AB	123 000	0,78%
Other	1 956 825	12,41%
Total	15 770 622	100.00%
Free Float*	7 623 927	48,34%

Holdings include related parties

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

FINANCIAL OVERVIEW

CONSOLIDATED PROFIT AND LOSS (KSEK)

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net revenue	30 376	25 669	60 926	47 353	99 136
Other revenue	86	74	92	188	253
Total revenue	30 462	25 743	61 018	47 541	99 389
Cost of sales	-8 606	-7 196	-15 877	-13 076	-25 615
Gross margin	21 856	18 547	45 141	34 465	73 774
Other external costs	-5 685	-5 641	-11 530	-9 802	-20 538
Personnel costs	-7 013	-5 781	-13 637	-11 479	-23 525
EBITDA	9 158	7 125	19 974	13 184	29 711
Depreciation and amortization	-727	-270	-1 436	-547	-1 126
Other costs*	226	565	797	795	843
EBIT	8 657	7 420	19 335	13 432	29 428
Financial costs	-71	-97	-152	-198	-339
Result after financial costs	8 586	7 323	19 183	13 234	29 089
Net income before tax	8 586	7 323	19 183	13 234	29 089
Tax on profit	-1 777	-1 508	-3 866	-2 618	-5 769
Net income	6 809	5 815	15 317	10 616	23 320

* Includes exchange rate differences

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KSEK)

Net income	6 809	5 815	15 317	10 616	23 320
Exchangedifference	114	324	1 299	1 327	746
Total result	6 923	6 139	16 616	11 943	24 066
Attributable to shareholders of parent company	6 923	6 139	16 616	11 943	24 066

CONSOLIDATED BALANCE SHEET (KSEK)

	30 Jun 2019	31 Dec 2018	30 Jun 2018
ASSETS			
Non current assets			
<i>Intangible assets</i>			
Goodwill	49 848	49 848	49 848
Other intangible assets	211	311	411
<i>Tangible assets</i>			
Buildings and land	8 389	7 854	4 140
Machinery and other tech assets	6 316	2 957	2 480
Tools, furnitures and fixtures	1 806	1 291	1 090
<i>Financial assets</i>			
Other financial assets	60	32	32
Deferred tax asset	794	609	463
Total non current assets	67 424	62 902	58 464
Current assets			
Inventory	10 846	9 740	8 900
Accounts receivable	18 249	14 415	16 813
Tax receivable	-	-	195
Other receivable	299	1 194	803
Prepaid costs and deferred revenue	2 063	1 180	1 577
Cash	39 076	28 435	24 972
Total current assets	70 533	54 964	53 260
TOTAL ASSETS	137 957	117 866	111 724

EQUITY AND LIABILITIES

Equity			
Share capital	789	789	789
Reserves	22	22	22
Retained earnings incl. NI	114 074	97 458	85 335
Total equity	114 885	98 269	86 146
Long term liabilities			
Debt to credit institutions	-	1 000	7 000
Other long term liabilities	2 712	1 376	1 206
Short term liabilities			
Debt to credit institutions	6 750	8 000	8 000
Accounts payable	4 305	3 248	4 582
Tax liabilities	2 006	788	-
Other liabilities	4 410	2 968	3 024
Deferred costs and prepaid income	2 889	2 217	1 766
Total liabilities	23 072	19 597	25 578
TOTAL EQUITY AND LIABILITIES	137 957	117 866	111 724

CONSOLIDATED CASH FLOW STATEMENT (KSEK)

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Operating income after financial costs	8 586	7 323	19 183	13 234	29 089
Depreciation	727	270	1 436	547	1 082
Paid tax	-1 665	-1 506	-2 833	-3 460	-5 774
Change in working capital	-347	-415	-2 017	-2 558	-2 446
Cash flow from operating activities	7 301	5 672	15 769	7 763	21 951
<i>Investment activities excl. leasing</i>					
Purchases of buildings	-36	-1 039	-401	-4 139	-7 867
Purchases of machines	-521	-	-933	-357	-637
Purchases of tools, furnitures and fixtures	-230	-73	-687	-184	-889
Cash flow from investments	6 514	4 560	13 748	3 083	12 558
<i>Financial activities</i>					
Amortization on interest-bearing loan	-2 250	-2 000	-2 250	-2 000	-8 000
Amortization on lease	-425	-87	-848	-153	-272
Cash flow for the period	3 839	2 473	10 650	930	4 286
Cash balance at beginning of period	35 252	22 624	28 435	24 077	24 077
Exchange difference in cash	-15	-125	-9	-35	72
Cash balance at end of period	39 076	24 972	39 076	24 972	28 435

CONSOLIDATED CHANGE OF EQUITY (KSEK)

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Beginning balance	107 962	80 007	98 269	74 203	74 203
Total result	6 923	6 139	16 616	11 943	24 066
Ending balance	114 885	86 146	114 885	86 146	98 269

CONSOLIDATED KPI'S (KSEK)

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net Revenue	30 376	25 669	60 926	47 353	99 136
Total Revenue	30 462	25 743	61 018	47 541	99 389
EBIT	8 657	7 420	19 335	13 432	29 428
Net Income	6 809	5 815	15 317	10 616	23 320
Balance Sheet Total	137 957	111 724	137 957	111 724	117 866
Equity	114 885	86 146	114 885	86 146	98 269
Change of Revenue (%)	18,3%	40,3%	28,3%	15,2%	16,0%
Gross Margin (%)	71,7%	72,0%	74,0%	72,5%	74,2%
EBIT-margin (%)	28,4%	28,8%	31,7%	28,3%	29,6%
Net Income margin (%)	22,4%	22,6%	25,1%	22,3%	23,5%
Solvency (%)	83,3%	77,1%	83,3%	77,1%	83,4%
Interest-bearing netdebt	-29 614	-8 766	-29 614	-8 766	-18 059
Cash	39 076	24 972	39 076	24 972	28 435
Outstanding Shares	15 770 622	15 770 622	15 770 622	15 770 622	15 770 622
Average outstanding shares	15 770 622	15 770 622	15 770 622	15 770 622	15 770 622
Earnings per share (SEK)	0,43	0,37	0,97	0,67	1,48
Equity per share (SEK)	7,28	5,46	7,28	5,46	6,23

DEFINITION OF KPI'S

Net revenue

The main revenue of the Company

EBIT

Operating profit

Interest-bearing netdebt

Interest-bearing debt including leasing minus cash

Change of revenue (%)

Total revenue in relation to the previous corresponding period

EBIT-margin (%)

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

Earnings per share

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

Gross profit

Sales revenue minus costs for raw materials and components

Net income margin (%)

Profit after tax as a percentage of total revenue

Equity per share

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

Gross margin (%)

Gross profit as a percentage of total revenue

Solvency (%)

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

EBITDA

Operating profit before depreciation and other operating expenses

PARENT COMPANY PROFIT AND LOSS (KSEK)

	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jan-Dec 2018
Net revenue	11 348	9 415	22 544	17 379	36 718
Other revenue	86	162	92	188	244
Total revenue	11 434	9 577	22 636	17 567	36 962
Cost of sales	-3 045	-2 660	-6 225	-5 165	-10 670
Gross margin	8 389	6 917	16 411	12 402	26 292
Other external costs	-2 480	-2 713	-4 914	-4 530	-8 755
Personnel costs	-1 792	-1 451	-3 439	-3 108	-5 931
EBITDA	4 117	2 753	8 058	4 764	11 606
Depreciation and amortization	-4	-8	-7	-16	-32
Other costs*	274	626	808	941	1 119
EBIT	4 387	3 371	8 859	5 689	12 693
Financial costs	7 191	-78	7 143	-166	-284
Result after financial costs	11 578	3 293	16 002	5 523	12 409
Year-end adjustments	-	-	-	-	-109
Net income before tax	11 578	3 293	16 002	5 523	12 300
Tax on profit	-984	-725	-1 931	-1 215	-2 706
Net income	10 594	2 568	14 071	4 308	9 594

* Includes exchange rate differences

PARENT COMPANY BALANCE SHEET (KSEK)

	30 Jun 2019	31 Dec 2018	30 Jun 2018
ASSETS			
Non current assets			
<i>Tangible assets</i>			
Tools, furnitures and fixtures	62	29	45
<i>Financial assets</i>			
Shares in subsidiaries	62 666	62 614	62 614
Total non current assets	62 728	62 643	62 659
Current assets			
Inventory	1 557	2 017	1 951
Accounts receivable	4 583	3 144	5 343
Tax receivables	-	-	952
Intercompany receivables	7 065	6 453	6 256
Other receivable	201	1 144	440
Prepaid costs and deferred revenue	984	904	980
Cash	21 681	9 834	8 543
Total current assets	36 071	23 496	24 465
TOTAL ASSETS	98 799	86 139	87 124

EQUITY AND LIABILITIES

Equity			
Share capital	789	789	789
Reserves	22	22	22
Retained earnings incl. NI	86 771	72 699	67 413
Total equity	87 582	73 510	68 224
Long term liabilities			
Debt to credit institutions	-	1 000	7 000
Short term liabilities			
Debt to credit institutions	6 750	8 000	8 000
Accounts payable	2 073	1 519	2 142
Tax liabilities	599	75	-
Intercompany payables	-	109	21
Other liabilities	108	85	232
Deferred costs and prepaid income	1 687	1 841	1 505
Total liabilities	11 217	12 629	18 900
TOTAL EQUITY AND LIABILITIES	98 799	86 139	87 124

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 26TH 2019



Per Malmström
Board Chairman



Håkan Svanberg
Board Member



Johan Bergdahl
Board Member



Thomas Eklund
Board Member



Håkan Lagerberg
CEO and Board Member



Sara Brandt
Board Member

AUDITOR'S REVIEW

This half year report has been reviewed by the company's auditor. The review report is available on page 26.

FUTURE REPORTING SCHEDULE

Interim report Q3 2019

Year report 2019

Interim report Q1 2020

Interim report Q2 2020

24th of October 2019

13th of February 2020

23rd of April 2020

24th of July 2020

CONTACT

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Jenny Graflind, CFO

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CERTIFIED ADVISER

FNCA Sweden AB

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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 2019 och den sexmånadersperiod som slutade per detta datum. Det är styrelsen och den verkställande direktören som har ansvaret för att upprätta och presentera denna delårsrapport i enlighet med IAS 34 och årsredovisningslagen/BFNAR 2007:1. 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.

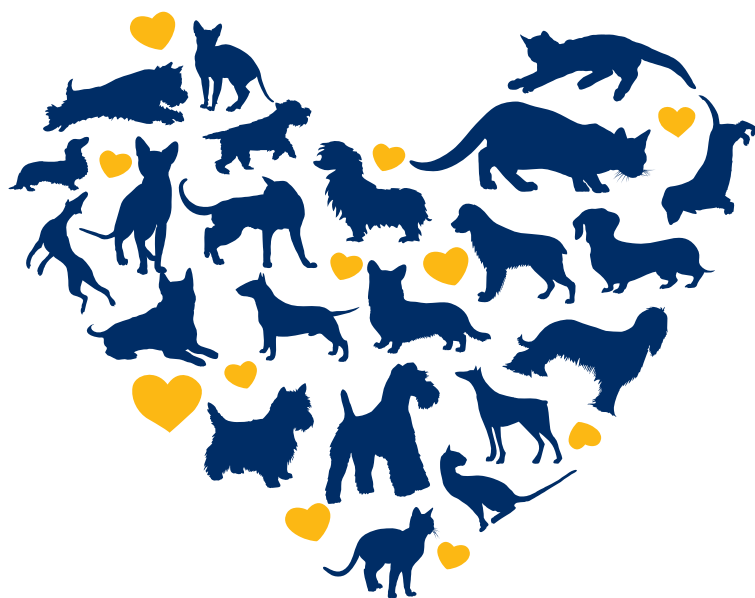
SLUTSATS

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/BFNAR 2007:1 samt för moderbolagets del i enlighet med årsredovisningslagen/BFNAR 2007:1.

2019-07-26



Ann Theander
Auktoriserad revisor





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READ MORE AT [SWEDENCARE.SE](https://www.swedencare.se)

