

Swedencare AB (publ) INTERIM REPORT January 1st – March 31st 2025

Growth, acquisitions and market expansion

Summary of the period

Numbers in parentheses refer to outcome of the corresponding period of the previous year.

First quarter: January 1st - March 31st, 2025

- Net revenue amounted to 641.1 MSEK (597.4 MSEK), corresponding to an increase of 7% (14%)
- Organic, currency-adjusted growth amounted to 5% (12%)
- Operational EBITDA amounted to 124.5 MSEK (138.8 MSEK), corresponding to a decrease of -10%, and an EBITDA-margin of 19.4% (23.2%). The operational adjustments totaling 0.2 MSEK include M&A costs
- Operational EBITA amounted to 103.4 MSEK (119.2 MSEK), corresponding to a decrease of -13% and an EBITA-margin of 16.1% (20.0%)
- Profit after tax amounted to 23.9 MSEK (30.1 MSEK)
- Earnings per share calculated on 158,862,839 shares (158,731,900 shares) amounted to 0.15 SEK (0.19 SEK)
- Cash flow from operating activities amounted to 96.7 MSEK (70.6 MSEK)
- As of March 31st, 2025, cash amounted to 526.9 MSEK (224.3 MSEK)

Significant events during the first quarter

Swedencare AB (publ) signs an agreement to acquire Summit Veterinary Pharmaceuticals Limited, a leader in the UK's thriving Animal Health Specials Market.

Significant events after the first quarter

Swedencare AB (publ) has completed the acquisition of av Summit Veterinary Pharmaceuticals Limited and carries out an issue of shares to the seller as a part of purchase price.

Words from the CEO

The net sales for the first quarter amounted to 641 MSEK, representing a 7% increase compared to Q1 2024. Our operational EBITDA-margin was 19.4%, totaling 125 MSEK. Our cash flow remains strong, and our net debt to EBITDA ratio is 2.0; however, it will slightly increase due to our acquisition of Summit Veterinary Pharmaceuticals Limited ("Summit") which was completed on April 1st.

Our organic growth was 5% for the quarter, which is lower than our target. From this quarter onward, I anticipate stronger growth to continue throughout the year. By the end of 2025, we shall achieve double-digit organic growth, and to our non-organic growth, we can already add Summit from Q2, along with an earlier takeover of our NaturVet sales on Amazon.

Market

We expected the quarter to be relatively cautious in sales, as the boost from several new customers will come from Q2 onwards. Additionally, the uncertainty regarding the economy and world trade naturally affects both our customers and us. The increased tariffs have a minimal impact on us today since we have built up manufacturing capacity on both sides of the Atlantic.

Regarding raw materials, we mainly work with local suppliers, and finished products are produced on the same continent where the sales occur. If the global economy is negatively affected for an extended period, it will likely impact us, even though the pet market is stable. Throughout all crises since 1945, the market has shown annual growth, and my hope is that it will be the same when we summarize 2025.

Our important online sales are a good indicator of consumer sentiment, and we have not yet seen any weakening in demand in that channel. The strengthening of the Swedish krona against the dollar also has a marginal impact on the results, as we have both costs and revenues in the same currency; however, it naturally affects our revenue when we convert the group's sales to SEK.

Segment

Geographically, Europe continues to drive our growth, particularly in the Nordics and the UK. The online and veterinary channels are strongest in the UK, and it is especially gratifying to see double-digit growth in the veterinary channel, as 2024 was weak in that area. During the quarter, we successfully tested new online concepts in the Nordics. This year, we will expand this initiative to the rest of Europe, with the UK and France next in line.

Southern Europe remains somewhat soft, and our decline in Italy was anticipated due to challenging comparison figures from 2024 when the largest customer ordered extraordinarily high amounts during the comparable quarter. Other customers have shown good growth, and Italy is set to return to growth in the current quarter. North America is characterized by numerous trade shows and preparatory work for both product launches and larger customer collaborations. NaturVet is experiencing growth, albeit slight, and the quarter included final efforts on the major rebranding project and preparations to deliver to new, larger customers.

NaturVet's CEO, Geoff Granger, will provide more information in our presentation, but I can already announce that the first "Big Box retail customer" is Walmart. We will deliver to over 1,400 Walmart stores in Q2 for a launch in July. I am impressed by the team that worked diligently during 2024 for everything expected to happen in 2025 and 2026.

At the launch at Global Pet Expo, there were only positive comments from customers, prospects, and even competitors about NaturVet's new design and innovations. Our new online collaborations with Costco and Sam's Club have exceeded expectations, and the next step is to negotiate possible in-store placement.

Our production division has achieved strong results despite scheduled production halts at some units in North America and improvement work, especially in Europe. The uncertainty in global trade has also created new business opportunities for us, with a rise in customer inquiries in both North America and Europe.

ProDen PlaqueOff® remains our fastest-growing brand, both globally and in terms of value. Our latest addition, Soft chews, continues to grow by over 50% as we expand into more markets. This year, we will introduce an innovative cat product in the lineup during the second half of the year.

M&A

At the beginning of the year, we completed a small acquisition, Pack Approved®, with which we had initiated a collaboration in 2024 with our treat brand Riley's. Pack Approved primarily sells treats made from unusual and special protein sources. The small organization is integrated into our online company PetMD.

During the quarter, we announced the signing of Summit, a "specialty pharmacy" operator based in the UK. This represents a new type of business for the group, where we see synergies, especially with Vetio North, our pharma business. Summit is a highly profitable enterprise, and we have identified both growth

and profitability opportunities for the coming years. In the latest fiscal year, Summit had a turnover of 7.3 MGBP with a 37% EBITDA.

Finally, I can announce that in April, we completed the acquisition of our NaturVet partner's Amazon business linked to our brands. This means that we have already taken over NaturVet's sales on Amazon instead of on January 1st, 2026, when the agreement was set to end. This will positively impact both revenue and profitability in 2025. Additionally, we have removed the risk of transferring our sales to a new Amazon account, which could have negatively affected our sales and increased marketing costs at the beginning of 2026. After an intense acquisition period, we will now focus on integration, synergies, and implementing new strategies in the coming months.

I want to thank the entire organization that works hard for Swedencare, and I am grateful for everyone's commitment. I am also very proud of the results from our latest global employee survey. We managed to improve our already high results, which proves that our strategy is valued and that our organization consists of people with strong drive and a desire to improve and develop.

Håkan Lagerberg
Malmö April 24th, 2025

The complete interim report is attached to this press release and is available at www.swedencare.com

Swedencare invites shareholders and analysts to a presentation of the interim report where CEO Håkan Lagerberg and CFO Jenny Graflind will comment on the report. Geoff Granger, CEO of the subsidiary NaturVet will also take part in the presentation. The presentation will be held at 10:30-11:30am CEST and can be followed via live webinar.

Please use this link to join the webinar: <https://us05web.zoom.us/j/82213052413>

For more information, please contact:

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FNCA is the Certified Adviser of the Company

Please visit the Company homepage www.swedencare.com

About Swedencare

Swedencare is listed on the NASDAQ First North Growth Market and also trades on the OTCQX® Best Market. We develop, produce, and sell premium products in the global and rapidly growing pet healthcare market, focusing on cats, dogs, and horses. Our extensive product portfolio includes strong brands such as **NaturVet®**, **Innovet**, **Pet MD®**, **Rx Vitamins®**, **nutravet®**, **Rileys®**, and **ProDen PlaqueOff®**, the original solution for good oral health.

With headquarters in Malmö, our products are sold in approximately 70 countries through veterinarians, pet stores, and online. Our extensive distribution network consists of subsidiaries in nine countries, along

with an international network of retailers. Swedencare has experienced strong growth for several years while maintaining high profitability.

This information is information that Swedencare is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at [Date and time is automatically linked to the news event].