

# Interim Management Statement

JANUARY – SEPTEMBER 2021





### THIRD QUARTER 2021

Net sales amounted to SEK 173.8 million (132.0), an increase of 32% (excluding foreign exchange effects, 35%)

Net sales in the Paediatrics segment reached SEK 130.8 million (101.9), an increase of 28%.

Net sales in the Adult Health segment amounted to SEK 42.1 million (29.3), an increase of 43%.

Operating expenses amounted to SEK 60.7 million (62.5), a decrease of 3%.

Operating profit increased by 148% to SEK 67.2 million (27.0), which corresponds to an operating margin of 39% (20%).

Profit after tax amounted to SEK 52.8 million (20.5), an increase of 158%.

Earnings per share amounted to SEK 2.62 (1.17) before and after dilution.

Cash flow amounted to SEK 55.6 million (50.3).

Cash and cash equivalents at 30 September 2021 amounted to SEK 1,529.7 million (292.4).

#### Key events in the third quarter of 2021

On 2 July, BioGaia announced that the company had become the owner of 100% of the shares in MetaboGen. Previously, BioGaia owned 92% of the shares. The purchase price amounted to SEK 11.4 million.

On 10 September, BioGaia Pharma announced that it had received formal approval to proceed with both of its planned clinical trials. The trials represent the next phase in the development of BioGaia Pharma's two pharmaceutical candidates.

On 20 September, BioGaia announced that it will begin to sell its probiotic products under its own management in the UK market from November 2021. The decision is part of the company's overall strategy of increasing B2C sales and sales via its own e-commerce solution.

### JANUARY – SEPTEMBER 2021

Net sales amounted to SEK 578.9 million (559.5), an increase of 3% (excluding foreign exchange effects, 12%)

Net sales in the Paediatrics segment reached SEK 453.6 million (443.5), an increase of 2%.

Net sales in the Adult Health segment amounted to SEK 121.7 million (113.9), an increase of 7%.

Operating expenses amounted to SEK 223.2 million (224.1), a decrease of 0.4%. Operating expenses included costs of evaluation of acquisition candidates of SEK 2.6 million and restructuring costs of SEK 7.5 million. Excluding these costs, operating expenses amounted to SEK 213.1 million, a decrease of 5%.

Operating profit increased by 10% to SEK 200.6 million (182.9), which corresponds to an operating margin of 35% (33%).

Profit after tax amounted to SEK 158.0 million (141.3), an increase of 12%.

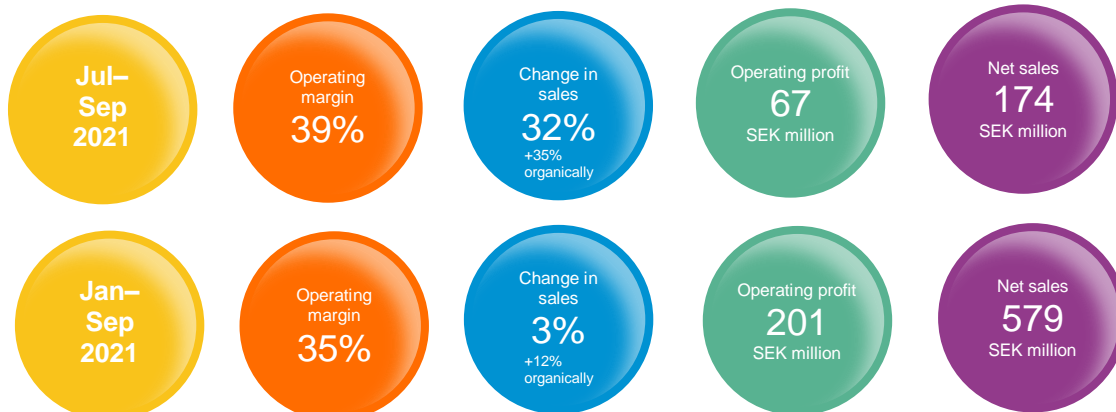
Earnings per share amounted to SEK 7.82 (8.08) before and after dilution.

Cash flow amounted to SEK 56.7 million (79.0).

Cash and cash equivalents at 30 September 2021 amounted to SEK 1,529.7 million (292.4).

#### Key events after the end of the third quarter

On 13 October, BioGaia announced that profit for the third quarter exceeded market expectations.



	Jul-Sep 2021	Jul-Sep 2020
Net sales, SEK 000s	173,841	131,961
Growth in net sales	32%	-21%
Operating profit, SEK 000s	67,179	27,042
Operating margin	39%	20%
Profit after tax, SEK 000s	52,844	20,483
Number of shares, thousands	20,196	17,336
Earnings per share, before and after dilution, SEK <sup>1) 2)</sup>	2.62	1.17

- 1) A bonus issue element from the 2020 new issue has been taken into account in the calculation of earnings per share before and after dilution, which means that comparative figures have been recalculated.
- 2) Key ratio defined according to IFRS. For definitions of other key ratios, see page 14.

**This information is information that BioGaia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO, at 8:00 a.m. CEST on 21 October 2021.**

**BioGaia AB (publ) Interim management statement 1 January – 30 September 2021**

The Board of Directors and the CEO of BioGaia AB hereby present the interim management statement for the period 1 January – 30 September 2021.

**CEO'S COMMENTS**

With sales of SEK 174 million (an increase of +32% and excluding foreign exchange effects an increase of +35%) and an operating profit of SEK 67 million, we are very pleased with the third quarter and the robust manner in which the organization has delivered. We can see three external reasons for the good result. Firstly, increased demand from consumers ahead of the winter season, with a focus on the immune system. Secondly, the lifting of pandemic restrictions has led to a rise in visits to doctors and pharmacies and thirdly, several markets, particularly in EMEA, have needed to replenish their inventories and requested that deliveries be moved forward from the fourth to the third quarter.

Following the establishment of BioGaia Japan in 2006 and BioGaia Finland at the beginning of this year, we are now ready to launch BioGaia UK in November. Our ambition with these "direct markets" is to be accessible in these highly interesting markets for probiotics where we previously lacked the right partners that could join us on our strategic journey to build the world's most respected probiotic brand. From November, consumers in the UK can buy BioGaia's complete product range on our own e-commerce platform and from mid-November from Amazon UK. We will thereafter gradually establish BioGaia in other parts of the UK market.

Elsewhere in the world, we are continuing our 32-year success story together with our partners. We are beginning to see the light at the end of the tunnel in EMEA (with sales growth of +51% compared with the year-earlier period) in Italy, Spain and Germany, where we launched "back to school" campaigns. APAC (with sales growth of +53% compared with the year-earlier period) has continued to make good progress in part due to our online ventures in China, our sales to dental surgeries and via our own e-commerce platform in Japan and positive demographic trends in Indonesia and Vietnam.

North America remains our strongest growth market due both to the launch of new products (Immune Boost and Prodentis Kids) and our omni-channel strategy whereby BioGaia is available in all consumer channels and through recommendations from the healthcare sector. Latin America noted a drop in sales for the quarter, primarily due to the accrual of orders in Brazil.

Our research companies are continuing research and development into the microbiome, where BioGaia Pharma has received approval for two clinical trials and MetaboGen is focusing on developing next-generation probiotics. In July, BioGaia acquired the remaining shares in MetaboGen and in the third quarter MetaboGen continued its clinical programmes.

To sum up, as the market for probiotics is growing worldwide, in terms of both sales and consumer awareness, life after the pandemic will lead to a greater focus on preventive healthcare. Based on these trends, together with our focus on global brand building and our omni-channel strategy, I remain convinced of our ability to grow.



**Isabelle Ducellier**  
President and CEO BioGaia  
21 October 2021



Teleconference: Investors, analysts and the media are invited to take part in a teleconference on the interim management statement to be held today, 21 October 2021, at 9:30 a.m. CEST with CEO Isabelle Ducellier and CFO Alexander Kotsinas. To participate in the teleconference, please call +46 8 505 583 53. More information about the teleconference is available here: <https://financialhearings.com/event/13238>



## Revenue

SEKm	Jul-Sep 2021	Jul-Sep 2020	Change
Paediatrics	130.8	101.9	28%
Adult Health	42.1	29.3	43%
Other	0.9	0.8	20%
<b>Total</b>	<b>173.8</b>	<b>132.0</b>	<b>32%</b>

SEKm	Jan-Sep 2021	Jan-Sep 2020	Change
Paediatrics	453.6	443.5	2%
Adult Health	121.7	113.9	7%
Other	3.7	2.1	75%
<b>Total</b>	<b>578.9</b>	<b>559.5</b>	<b>3%</b>

SEKm	Jul-Sep 2021	Jul-Sep 2020	Change
EMEA	87.0	57.7	51%
APAC	44.0	28.7	53%
Americas	42.9	45.5	-6%
<b>Total</b>	<b>173.8</b>	<b>132.0</b>	<b>32%</b>

SEKm	Jan-Sep 2021	Jan-Sep 2020	Change
EMEA	250.8	289.1	-13%
APAC	141.2	116.5	21%
Americas	187.0	153.8	22%
<b>Total</b>	<b>578.9</b>	<b>559.5</b>	<b>3%</b>

### SALES THIRD QUARTER

Figures in parentheses refer to the corresponding period last year. Consolidated net sales amounted to SEK 173.8 million (132.0) which is an increase of SEK 41.8 million (32%) (excluding foreign exchange effects, 35%) compared to the third quarter of last year.

Sales in EMEA totalled SEK 87.0 million (57.7), up 51% mainly due to increased sales in the Paediatrics and Adult Health segments. Sales within Paediatrics increased primarily in Spain and Russia. The increase in Spain was mainly due to the accrual of individual orders towards the end of the quarter. The increase within Adult Health was primarily attributable to Eastern Europe and Germany.

Sales in APAC amounted to SEK 44.0 million (28.7), an increase of 53%. The increase was attributable to the Paediatrics and Adult Health segments. In the Paediatrics segment, sales increased mainly in China. In the Adult Health segment, sales increased mainly in China and Hong Kong.

Sales in the Americas amounted to SEK 42.9 million (45.5), a decrease of 6%, which was due to lower sales in the Paediatrics segment while sales in the Adult Health segment increased. The lower sales in Paediatrics were mainly attributable to Brazil, which was partly offset by healthy sales growth in the USA. The increase within Adult Health was primarily attributable to the USA.

### NET SALES BRIDGE THIRD QUARTER

SEKm	Change	
<b>2020</b>	<b>132.0</b>	
Foreign exchange	-4.6	-3%
Organic growth	46.5	35%
<b>2021</b>	<b>173.8</b>	<b>32%</b>

### SALES JANUARY – SEPTEMBER

Figures in parentheses refer to the corresponding period last year. Consolidated net sales amounted to SEK 578.9 million (559.5) which is an increase of SEK 19.4 million (3%) (excluding foreign exchange effects, 12%) compared to last year. Over the past 12-month period, sales changed by 0%.

Sales in EMEA amounted to SEK 250.8 million (289.1), a decrease of 13%, which was due to lower sales within Paediatrics and Adult Health.

The lower sales within Paediatrics were mainly attributable to Italy and parts of Eastern Europe. The lower sales within Adult Health were mainly attributable to Italy and Finland.

Sales in APAC totalled SEK 141.2 million (116.5), an increase of 21% due to increased sales within Paediatrics and Adult Health. Sales within Adult Health increased primarily in Japan, China and Hong Kong. In the Paediatrics segment, sales increased mainly in Australia, Vietnam and China.

Sales in the Americas totalled SEK 187.0 million (153.8), an increase of 22%, which was due to higher sales in the Paediatrics and Adult Health segments. The increased sales within both segments were mainly attributable to the USA.

### NET SALES BRIDGE JANUARY – SEPTEMBER

SEKm	Change	
<b>2020</b>	<b>559.5</b>	
Foreign exchange	-47.2	-8.4%
Organic growth	66.6	11.9%
<b>2021</b>	<b>578.9</b>	<b>3.5%</b>



## Paediatrics



The Paediatrics segment accounts for approximately 80% of BioGaia's total sales. BioGaia Protectis drops remain the largest product with sales in more than 90 countries. Other key products within Paediatrics include BioGaia Protectis drops with vitamin D, oral rehydration solution and tablets as well as cultures to be used as ingredients in licensee products (such as infant formula) and royalty revenues for paediatric products.

SEKm	Jul-Sep 2021	Jul-Sep 2020	Change
Products	128.9	98.2	31%
Royalties	1.9	3.6	-47%
<b>Total</b>	<b>130.8</b>	<b>101.9</b>	<b>28%</b>

	Jan-Sep 2021	Jan-Sep 2020	Change
Products	447.6	433.2	3%
Royalties	5.9	10.3	-42%
<b>Total</b>	<b>453.6</b>	<b>443.5</b>	<b>2%</b>

### SALES THIRD QUARTER

Figures in parentheses refer to the corresponding period last year. Sales in the Paediatrics segment amounted to SEK 130.8 million (101.9), an increase of 28% (excluding foreign exchange effects, 32%).

Sales of BioGaia Protectis drops increased in all regions except in the Americas compared to the corresponding period last year. In EMEA, sales of drops increased primarily in Spain and Russia. In APAC, sales increased primarily in China and Indonesia. In the Americas, sales decreased primarily in Brazil, which was partly offset by favourable sales growth in the USA.

Sales of BioGaia Protectis tablets within Paediatrics decreased in all regions compared to the corresponding period last year. The decrease was primarily due to lower sales in Brazil and Eastern Europe.

### SALES JANUARY – SEPTEMBER

Figures in parentheses refer to the corresponding period last year. Sales in the Paediatrics segment amounted to SEK 453.6 million (443.5), an increase of 2% (excluding foreign exchange effects, 11%). Over the past 12-month period, sales changed by -1%.

Sales of BioGaia Protectis drops increased compared to the corresponding period last year. Sales increased in APAC and the Americas, but decreased in EMEA. Sales in APAC increased primarily in Vietnam and Australia. In the Americas, sales increased mainly in the USA, which were partly offset by a decrease in sales, particularly in Brazil. In EMEA, sales of drops decreased primarily in Italy and Eastern Europe, while sales increased particularly in Russia and France.

Sales of BioGaia Protectis tablets decreased within Paediatrics compared to the corresponding period last year. The decrease was due to lower sales in all regions, primarily in Eastern Europe, Spain and Brazil.



## Adult Health



The Adult Health segment accounts for approximately 20% of BioGaia's total sales. Sales mainly comprise BioGaia Protectis, BioGaia Gastrus, BioGaia Prodentis and BioGaia Osfortis as well as cultures as an ingredient in a licensee's dairy products.

SEKm	Jul-Sep 2021	Jul-Sep 2020	Change
Products	39.2	26.9	46%
Royalties	2.9	2.4	20%
<b>Total</b>	<b>42.1</b>	<b>29.3</b>	<b>43%</b>

	Jan-Sep 2021	Jan-Sep 2020	Change
	105.5	106.1	-1%
	16.2	7.8	108%
	<b>121.7</b>	<b>113.9</b>	<b>7%</b>

### SALES THIRD QUARTER

Figures in parentheses refer to the corresponding period last year. Sales in the Adult Health segment amounted to SEK 42.1 million (29.3), an increase of 43% (excluding foreign exchange effects, 47%).

Sales of BioGaia Protectis tablets increased in APAC and the Americas compared to the corresponding period last year. In APAC, sales increased primarily in Hong Kong and in the Americas sales increased mainly in the USA and Mexico. In EMEA, sales decreased mainly in Belgium and Finland.

Sales of BioGaia Gastrus increased in all regions compared to the corresponding period last year. Sales increased primarily in the USA, Japan and China.

Sales of BioGaia Prodentis increased in EMEA and the Americas compared to the corresponding period last year. Sales increased mainly in Germany, which were partly offset by a decrease in sales in APAC, particularly in Japan and Korea.

### SALES JANUARY – SEPTEMBER

Figures in parentheses refer to the corresponding period last year. Sales in the Adult Health segment amounted to SEK 121.7 million (113.9), an increase of 7% (excluding foreign exchange effects, 15%). Over the past 12-month period, sales rose 3%.

Sales of BioGaia Protectis tablets decreased compared to the corresponding period last year. Sales decreased in EMEA while they increased in APAC and the Americas. In EMEA, sales decreased mainly in Italy, Belgium and Finland. In APAC, sales increased primarily in Hong Kong, and in the Americas sales increased mainly in the USA.

Sales of BioGaia Gastrus increased compared to the corresponding period last year. Sales increased in EMEA and APAC and decreased in the Americas.

In EMEA, sales increased mainly in France. In APAC, sales increased primarily in China while sales in the Americas decreased mainly in Mexico.

Sales of BioGaia Prodentis increased compared to the corresponding period last year. In EMEA, sales increased mainly in France and in the Americas primarily in Mexico. In APAC, sales decreased mainly in Japan and Korea.



# Earnings

## THIRD QUARTER

### Gross margin

Figures in parentheses refer to the corresponding period last year. The total gross margin for the quarter amounted to 74% (68%). The gross margin for the Paediatrics segment amounted to 75% (66%). The gross margin for the Adult Health segment amounted to 67% (72%). The higher gross margin is primarily due to increased sales of BioGaia Protectis drops. The lower gross margin for the Adult Health segment is primarily the result of mix effects and campaigns.

### Operating expenses and operating profit

Operating expenses amounted to SEK 60.7 million (62.5), a decrease of SEK 1.8 million. Excluding other operating expenses (exchange losses/gains) operating expenses increased by 12%.

Selling expenses amounted to SEK 38.6 million (32.9), an increase of 17%, mainly due to increased marketing activities and higher personnel costs.

R&D expenses amounted to SEK 19.7 million (19.8), a decrease of 0.3%. R&D expenses include costs for the subsidiaries MetaboGen AB and BioGaia Pharma AB of SEK 4.3 million (5.7).

Administrative expenses amounted to SEK 7.0 million (5.4), an increase of 29%, mainly due to higher personnel costs.

Other operating expenses refers to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK -4.6 million (4.3).

Operating profit amounted to SEK 67.2 million (27.0), an increase of 148%. The operating margin was 39% (20%).

### Profit after tax and earnings per share

Profit after tax amounted to SEK 52.8 million (20.5), an increase of 158%. The effective tax rate was 21% (24%).

Earnings per share amounted to SEK 2.62 (1.17) before and after dilution.

## JANUARY – SEPTEMBER

### Gross margin

Figures in parentheses refer to the corresponding period last year. The total gross margin amounted to 73% (73%). The gross margin for the Paediatrics segment amounted to 75% (73%). The gross margin for the Adult Health segment amounted to 66% (70%).

### Operating expenses and operating profit

Operating expenses amounted to SEK 223.3 million (224.1), a decrease of SEK 0.8 million. Excluding other operating expenses (exchange losses/gains) operating expenses increased by 7%.

Selling expenses amounted to SEK 125.8 million (122.0), an increase of 3%.

R&D expenses amounted to SEK 75.0 million (75.0), a change of 0%.

R&D expenses include costs for the subsidiaries MetaboGen AB and BioGaia Pharma AB of SEK 17.0 million (18.5).

Administrative expenses amounted to SEK 30.4 million (18.9), an increase of 61%. The increase in administrative expenses is mainly attributable to increased costs for evaluation of acquisition candidates (SEK 2.6 million), impairment of right-of-use assets linked to a rental contract for premises in Lund (SEK 5.1 million) and increased personnel costs related to reorganisation.

Other operating expenses refers to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK -7.9 million (8.2).

Operating profit amounted to SEK 200.6 million (182.9), an increase of 10%. The operating margin was 35% (33%).

### Profit after tax and earnings per share

Profit after tax amounted to SEK 158.0 million (141.3), an increase of 12%. The effective tax rate was 21% (23%).

Earnings per share amounted to SEK 7.82 (8.08) before and after dilution.

### Parent Company

The Parent Company's net sales amounted to SEK 545.5 million (532.6) and profit before tax was SEK 172.1 million (160.0). The financial performance of the Parent Company is in all material respects in line with that of the Group.



# Balance sheet and cash flow

## BALANCE SHEET 30 SEPTEMBER 2021

Total assets amounted to SEK 1,967.7 million (711.9). The increase is mainly explained by the new issue carried out in the fourth quarter of 2020.

Since year-end 2020, trade receivables have increased while inventories and trade payables have decreased. Financial assets have increased due to the acquisition of shares in Boneprox AB and Skinome AB.

In accordance with a resolution at the Annual General Meeting, BioGaia has introduced an incentive programme and issued subscription warrants, which resulted in an increase in equity by SEK 5.0 million.

## CASH FLOW THIRD QUARTER

Cash flow amounted to SEK 55.6 million (50.3) for the quarter.

Cash flow from operating activities amounted to SEK 68.0 million (55.4). The increase in cash flow in operations compared with the year-earlier period is due to higher operating profit while change in working capital has a negative impact.

Investments in property, plant and equipment amounted to SEK 1.4 million (3.0). Depreciation and impairment amounted to SEK 6.3 million (5.1). Investments in financial assets of SEK 11.4 million relate to the settlement of the additional purchase price for Metabogen.

Cash and cash equivalents at 30 September 2021 amounted to SEK 1,529.7 million (292.4).

## CASH FLOW JANUARY – SEPTEMBER

Cash flow amounted to SEK 56.7 million (79.0). Cash flow includes a dividend of SEK 68.9 million (65.0) as well as a provision to the Foundation to Prevent Antibiotic Resistance of SEK 2.8 million (2.8). Cash flow from operating activities is marginally lower than the corresponding period last year.

Investments in property, plant and equipment amounted to SEK 3.2 million (14.1). Depreciation and impairment amounted to SEK 22.1 million (14.8) and include an impairment of SEK 5.1 million relating to restructuring in the first quarter. Investments in financial assets of SEK 33.7 million relate to the settlement of the additional purchase price for MetaboGen AB and the acquisition of shares in Boneprox AB and Skinome AB in conjunction with the establishment of BioGaia Invest AB.

# Other disclosures

## EMPLOYEES

The number of employees in the Group at 30 September 2021 totalled 159 (160 at 30 September 2020).

The company has an incentive programme for all employees based partly on the company's sales and profit and partly on qualitative targets. The maximum bonus is equal to 12% of salary. In addition to this programme, BioGaia has also implemented a subscription warrants programme as resolved by the 2021 Annual General Meeting. The programme involves the issue of a maximum of 365,000 warrants where each warrant shall entitle the holder during the period from 6 July 2024 through 6 November 2024 to subscribe for one new Class B share in BioGaia for a subscription price per share that amounts to SEK 578.2. The employees have been invited to purchase the warrants at an amount of SEK 55.6 which is the market value determined by an external valuation expert. A total of 89,730 warrants have been subscribed for, which results in additional equity injection of SEK 5.0 million and a possible dilution of existing shareholders of 0.4%. The programme also includes a stay-on bonus extending over a three-year period. For other terms and conditions relating to the programme, see the Board's proposal to the Annual General Meeting with appendices.

## FUTURE OUTLOOK

BioGaia's goal is to create strong value growth and a good return for the shareholders. This will be achieved through a greater emphasis

on the BioGaia brand, online sales, increased sales to both existing and new customers and a controlled cost level.

The long-term financial target is an operating margin (operating profit in relation to sales) of at least 34% with continued strong growth and increased investments in research, product development, brand building and the sales organisation. BioGaia's dividend policy is to pay a shareholder dividend equal to 50% of profit after tax in the Parent Company.

In view of the company's strong portfolio consisting of an increased number of innovative products that are sold predominantly under the BioGaia brand, successful clinical trials and an expanding distribution network that covers a large share of the key markets, BioGaia's future outlook remains bright.

## SIGNIFICANT RISKS AND UNCERTAINTIES GROUP AND PARENT COMPANY

Significant risks and uncertainties are described in the administration report of the annual report for 2020 on pages 52 and 53 and in Notes 27 and 28. No significant changes in these risks and uncertainties are assessed to have taken place at 30 September 2021 except for the impact of the Covid-19 pandemic as set out below.

The third quarter of 2021 continued to be marked by the Covid-19 pandemic and its impact on the world at large and on BioGaia. In most of the countries in which BioGaia operates, medical marketing is still the main business model. Due to the Covid-19 situation, our distributors' sales forces have not been able to visit doctors and pharmacy staff, which are our key target groups for medical marketing, to the same extent as previously. Furthermore, long-term lockdowns in many countries have meant that consumers have had limited opportunities to visit the principal sales channels for our products – physical pharmacies, hospitals and, in Japan, dental surgeries.

BioGaia has adapted to the current situation and changed how the company works with marketing and sales. For example, BioGaia has not been able to take part in international fairs and symposia, since these have been cancelled, but has instead focused on supporting its partners with marketing material that can be used online. Furthermore, BioGaia's employees have not been able to visit customers face-to-face but have used telephone and video meetings. BioGaia has not carried out any staff reductions or layoffs due to the pandemic. Nor has BioGaia taken part in any support programme with the exception of a government stimulus programme in Japan.

BioGaia has a strong financial position but a prolonged pandemic can even have a negative impact on a stable company such as BioGaia. A deterioration in the financial position and ability to pay of our distribution partners can lead to longer payment times but also credit losses. Furthermore, disruptions in BioGaia's production and at external suppliers or in logistics can result in BioGaia being unable to deliver products with an ensuing loss of revenue. Depending on how drawn-out this pandemic becomes, there is a risk of continued challenges in 2021.

## RELATED PARTY TRANSACTIONS

The Parent Company owns 100% of the shares in BioGaia UK Ltd, BioGaia Finland Oy, BioGaia Invest AB, MetaboGen AB, BioGaia Biologics Inc. USA, BioGaia Japan Inc, BioGaia Production AB, CapAble AB and Tripac AB. The Parent Company also owns 96% of the shares in BioGaia Pharma AB.

Annwall & Rothschild Investment AB owns 740,668 class A shares and 100,000 class B shares, corresponding to 4.2% of the share capital and 27.9% of the voting rights in BioGaia AB. Annwall & Rothschild Investment AB is owned by Peter Rothschild and Jan Annwall. Peter Rothschild is Chairman of the Board of BioGaia AB and receives a director's fee of SEK 670,000 per year. During the quarter, Peter Rothschild received additional remuneration for significant working duties, in addition to his assignment on the Board, of SEK 150,000 in accordance with the decision of the

Annual General Meeting and the Board of Directors. In addition, a dividend of SEK 3.75 per share was paid to Annwall & Rothschild Investment AB during the period. Out of the total of 89,730 warrants subscribed in conjunction with the incentive programme described above, 84,750 were subscribed for by Executive Management including the CEO.





## KEY EVENTS IN THE THIRD QUARTER OF 2021

### Launches in the third quarter of 2021

Distributor	Country	Product
BioGaia	Finland	BioGaia Protectis drops and tablets, BioGaia Gastrus and BioGaia Prodentis
Sued	Dominican Republic	BioGaia Protectis drops with vitamin D
Nestlé	Ecuador	Protectis Minipack
Nestlé	Ecuador	<i>B. lactis</i> drops
Everidis	USA	BioGaia Immun drops, tablets and capsules
Everidis	USA	BioGaia Prodentis Baby drops
Sunflower	China	BioGaia Prodentis Mum
Sunflower	China	BioGaia Prodentis Mini
BioGaia	China	BioGaia Osfortis
Grace International	South Korea	BioGaia Protectis capsules
Grace International	South Korea	BioGaia Protectis tablets with vitamin D
Cube	Greece	BioGaia Prodentis with new flavour (apple)

**BioGaia owns 100% of the shares in MetaboGen.** On 2 July, BioGaia announced that the company had become the owner of 100% of the shares in MetaboGen. Previously, BioGaia owned 92% of the shares. The purchase price amounted to SEK 11,441,439 and is recognised in the half-year financial statements as a current liability to be settled in July.

**BioGaia Pharma receives formal approval to proceed with both of its planned clinical trials.** On 10 September, BioGaia Pharma announced that it had received formal approval to proceed with both of its planned clinical trials. The trials represent the next phase in the development of BioGaia Pharma's two pharmaceutical candidates. Enrolment will begin at the end of 2021.

**BioGaia starts its own distribution in the UK.** On 20 September, BioGaia announced that it will begin to sell its probiotic products under its own management in the UK market from November 2021. The decision is part of the company's overall strategy of increasing B2C sales and sales via its own e-commerce solution. BioGaia will launch its entire product portfolio in the British market.

## KEY EVENTS AFTER THE END OF THE THIRD QUARTER OF 2021

On 13 October, BioGaia announced that profit for the third quarter exceeded market expectations.

## Accounting policies

In all material respects, this interim management statement has been prepared in accordance with Nasdaq OMX Stockholm's Guidelines for preparing interim management statements. Disclosures according to IAS 34 Interim Financial Reporting are provided both in notes and elsewhere in the interim management statement. The accounting policies applied in the consolidated statements of comprehensive income and financial position are consistent with the accounting policies applied in preparation of the most recent annual report.

The financial statements and segment information are consistent with the presentation used in the interim reports presented in compliance with IAS 34, in order to achieve comparability in presentation between quarters. The interim management statement contains, among other things, comments from the CEO, although this is not required according to Nasdaq OMX Stockholm's Guidelines for preparing interim management statements. This information is nonetheless considered important in meeting the users' needs.

### NEW ACCOUNTING STANDARDS

Management's assessment is that new and amended standards and interpretations will not have a material effect on the Group's financial statements for the period of initial application.


**SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>(Amounts in SEK 000s)</i>	<b>Jul-Sep 2021</b>	Jul-Sep 2020	<b>Jan-Sep 2021</b>	Jan-Sep 2020	Jan-Dec 2020	Oct 2020– Sep 2021	Oct 2019– Sep 2020
Net sales (Note 1)	173,841	131,961	578,947	559,467	747,077	766,557	767,083
Cost of sales	-45,975	-42,458	-155,032	-152,513	-200,159	-202,678	-205,945
<i>Gross profit</i>	<i>127,866</i>	<i>89,503</i>	<i>423,915</i>	<i>406,954</i>	<i>546,918</i>	<i>563,879</i>	<i>561,138</i>
Selling expenses	-38,556	-32,911	-125,831	-121,961	-171,634	-175,504	-177,555
Administrative expenses	-7,011	-5,435	-30,389	-18,901	-26,128	-37,616	-25,784
Research and development expenses	-19,718	-19,776	-74,988	-75,029	-104,663	-104,622	-98,544
Other operating expenses/income	4,598	-4,339	7,940	-8,163	-16,343	-240	-8,249
<i>Operating profit</i>	<i>67,179</i>	<i>27,042</i>	<i>200,647</i>	<i>182,900</i>	<i>228,150</i>	<i>245,897</i>	<i>251,006</i>
Financial income	1	37	64	109	155	110	261
Financial expenses	-239	-181	-633	-562	-722	-793	-614
<i>Profit before tax</i>	<i>66,941</i>	<i>26,898</i>	<i>200,078</i>	<i>182,447</i>	<i>227,583</i>	<i>245,214</i>	<i>250,653</i>
Tax	-14,097	-6,415	-42,080	-41,184	-47,853	-48,749	-56,824
<b>Profit for the period</b>	<b>52,844</b>	<b>20,483</b>	<b>157,998</b>	<b>141,263</b>	<b>179,730</b>	<b>196,465</b>	<b>193,829</b>
<b>Items that may be subsequently reclassified to profit or loss</b>							
Gains/losses arising on translation of the statements of foreign operations	965	-311	1,250	-3,767	-4,059	958	-3,559
<b>Comprehensive income for the period</b>	<b>53,809</b>	<b>20,172</b>	<b>159,248</b>	<b>137,496</b>	<b>175,671</b>	<b>197,423</b>	<b>190,270</b>
<b>Profit for the period attributable to:</b>							
Owners of the Parent Company	52,844	20,483	157,998	141,263	179,730	196,465	193,811
Non-controlling interests	-	-	-	-	-	-	18
<b>Comprehensive income for the period attributable to:</b>							
Owners of the Parent Company	53,809	20,172	159,248	137,496	175,671	197,423	190,252
Non-controlling interests	-	-	-	-	-	-	18
<b>Earnings per share</b>							
Earnings per share before dilution, (SEK) *)	2.62	1.17	7.82	8.08	10.07	9.87	11.09
Earnings per share after dilution, (SEK) *)	2.62	1.17	7.82	8.08	10.07	9.87	11.09
Number of shares (thousands)	20,196	17,336	20,196	17,336	20,196	20,196	17,336
Average number of shares before dilution, (thousands) *)	20,196	17,474	20,196	17,474	17,855	19,897	17,474
Average number of shares after dilution, (thousands) *)	20,196	17,474	20,196	17,474	17,855	19,897	17,474

\*) A bonus issue element from the 2020 new issue has been taken into account in the calculation of earnings per share before and after dilution, which means that comparative figures have been recalculated.



### CONSOLIDATED BALANCE SHEETS

<i>Summary (Amounts in SEK 000s)</i>	<b>30 Sep 2021</b>	30 Sep 2020	31 Dec 2020
<b>ASSETS</b>			
Property, plant and equipment	127,121	135,166	133,904
R&D projects in progress	48,645	50,881	50,322
Goodwill	5,300	5,300	5,300
Right-of-use assets	16,599	14,515	28,861
Financial assets	22,229	-	-
Deferred tax assets	4,944	5,040	5,279
Other non-current receivables	42	44	39
<i>Total non-current assets</i>	<i>224,880</i>	<i>210,946</i>	<i>223,705</i>
Current assets excl. cash and cash equivalents	213,072	208,536	221,694
Cash and cash equivalents	1,529,736	292,385	1,467,883
<i>Total current assets</i>	<i>1,742,808</i>	<i>500,921</i>	<i>1,689,577</i>
<b>TOTAL ASSETS</b>	<b>1,967,688</b>	<b>711,867</b>	<b>1,913,282</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Parent Company	1,838,810	577,558	1,746,243
Non-controlling interests	2	2	2
Total equity (Note 2)	1,838,812	577,560	1,746,245
Deferred tax liability	11,218	10,339	11,312
Non-current liabilities	13,601	17,839	20,663
Current liabilities	104,057	106,129	135,062
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,967,688</b>	<b>711,867</b>	<b>1,913,282</b>

Other current liabilities include forward exchange contracts with a fair value of SEK 0 million on the balance sheet date (SEK 0.3 million in the corresponding period in the previous year). All forward exchange contracts are attributable to level 2 of the fair value hierarchy. No changed assumptions with regard to measurement have taken place compared to the 2020 Annual Report. The fair values of other receivables, cash and cash equivalents, trade payables and other liabilities are estimated to be equal to their carrying amounts (amortised cost) due to the short maturity.

### CONSOLIDATED CASH FLOW STATEMENTS

<i>Summary (Amounts in SEK 000s)</i>	<b>Jul-Sep 2021</b>	Jul-Sep 2020	<b>Jan-Sep 2021</b>	Jan-Sep 2020	Jan-Dec 2020
<b>Operating activities</b>					
Operating profit	67,179	27,042	200,647	182,900	228,150
Depreciation/amortisation and impairment	6,251	5,053	22,106	14,845	20,530
Unrealised gains/losses on forward contracts	296	-548	2,403	-2,816	-4,876
Other non-cash items	-4,496	383	-5,189	195	1,167
Paid tax	-16,851	-17,117	-52,731	-51,967	-72,092
Interest received and paid	-238	-143	-569	-452	-646
<b>Cash flow from operating activities before changes in working capital</b>	<b>52,141</b>	<b>14,670</b>	<b>166,667</b>	<b>142,705</b>	<b>172,233</b>
Changes in working capital	15,814	40,755	-1,057	23,936	49,023
<b>Cash flow from operating activities</b>	<b>67,955</b>	<b>55,425</b>	<b>165,610</b>	<b>166,641</b>	<b>221,256</b>
Acquisition of property, plant and equipment	-1,383	-2,978	-3,195	-14,084	-16,075
Acquisition of financial assets	-11,441	-	-33,670	-	-
<b>Cash flow from investing activities</b>	<b>-12,824</b>	<b>-2,978</b>	<b>-36,865</b>	<b>-14,084</b>	<b>-16,075</b>
Dividend	-	-	-68,870	-65,012	-65,012
Repayment of lease liability	-2,370	-2,117	-5,389	-5,746	-7,632
Provision to Foundation to Prevent Antibiotic Resistance	-	-	-2,800	-2,800	-2,800
New share issue	-	-	-	-	1,126,840
Issue of warrants	2,851	-	4,989	-	-
<b>Cash flow from financing activities</b>	<b>481</b>	<b>-2,117</b>	<b>-72,070</b>	<b>-73,558</b>	<b>1,051,396</b>
<b>Cash flow for the period</b>	<b>55,612</b>	<b>50,330</b>	<b>56,675</b>	<b>78,999</b>	<b>1,256,577</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,468,935</b>	<b>242,546</b>	<b>1,467,883</b>	<b>213,831</b>	<b>213,831</b>
Exchange difference in cash and cash equivalents	5,189	-491	5,178	-445	-2,525
<b>Cash and cash equivalents at the end of the period</b>	<b>1,529,736</b>	<b>292,385</b>	<b>1,529,736</b>	<b>292,385</b>	<b>1,467,883</b>


**NOTE 1 REPORTING BY SEGMENT – GROUP**

Executive Management has analysed the Group's internal reporting and determined that the Group's operations are monitored and evaluated based on the following segments:

- **Paediatrics segment** (drops, gut health tablets, oral rehydration solution (ORS) and cultures to be used as ingredients in licensee products (such as infant formula) as well as royalty revenues for paediatric products.
- **Adult Health segment** (gut health tablets, oral health lozenges and cultures as an ingredient in a licensee's dairy products as well as royalty revenues for Adult Health products.
- **Other segment** (smaller segments such as royalty from development projects).

For the above segments BioGaia reports revenue and gross profit, which are monitored regularly by the CEO (who is regarded as the chief operating decision maker) together with the Executive Management. There is no monitoring of the company's total assets and liabilities against the segments' assets.

(Amounts in SEK 000s)	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020	Oct 2020– Sep 2021	Oct 2019– Sep 2020
<b>Revenue by segment</b>							
Paediatrics	130,830	101,854	453,581	443,497	583,111	593,195	600,875
Adult Health	42,089	29,341	121,694	113,877	161,186	169,003	163,797
Other	922	766	3,672	2,093	2,780	4,359	2,412
<b>Total</b>	<b>173,841</b>	<b>131,961</b>	<b>578,947</b>	<b>559,467</b>	<b>747,077</b>	<b>766,557</b>	<b>767,084</b>
<b>Gross profit by segment</b>							
Paediatrics	98,556	67,610	340,280	325,366	431,810	446,725	444,980
Adult Health	28,389	21,127	79,963	79,684	112,588	112,866	113,935
Other	921	766	3,672	1,904	2,521	4,288	2,223
<b>Total</b>	<b>127,866</b>	<b>89,503</b>	<b>423,915</b>	<b>406,954</b>	<b>546,918</b>	<b>563,879</b>	<b>561,138</b>
Selling, administrative and R&D expenses	-65,285	-58,122	-231,208	-215,891	-302,425	-317,742	-301,883
Other operating expenses	4,598	-4,339	7,940	-8,163	-16,343	-240	-8,249
Operating profit	67,179	27,042	200,647	182,900	228,150	245,897	251,006
Net financial items	-238	-144	-569	-453	-567	-683	-353
<b>Profit before tax</b>	<b>66,941</b>	<b>26,898</b>	<b>200,078</b>	<b>182,447</b>	<b>227,583</b>	<b>245,214</b>	<b>250,653</b>
<b>Sales by geographical market</b>							
<b>APAC</b>							
Paediatrics	21,719	9,484	68,686	59,694	82,689	91,681	79,254
Adult Health	21,620	18,804	70,926	55,862	86,625	101,689	91,278
Other	659	429	1,541	982	1,432	1,991	1,043
<b>Total APAC</b>	<b>43,998</b>	<b>28,717</b>	<b>141,153</b>	<b>116,538</b>	<b>170,746</b>	<b>195,361</b>	<b>171,575</b>
<b>EMEA</b>							
Paediatrics	73,325	48,892	214,294	241,770	312,520	285,044	338,875
Adult Health	13,385	8,519	34,486	46,377	58,894	47,003	56,077
Other	240	311	2,049	948	1,169	2,270	1,205
<b>Total EMEA</b>	<b>86,950</b>	<b>57,722</b>	<b>250,829</b>	<b>289,095</b>	<b>372,583</b>	<b>334,317</b>	<b>396,157</b>
<b>Americas</b>							
Paediatrics	35,787	43,478	170,601	142,033	187,902	216,470	182,746
Adult Health	7,084	2,017	16,283	11,638	15,667	20,312	16,442
Other	22	26	81	163	179	97	163
<b>Total Americas</b>	<b>42,893</b>	<b>45,521</b>	<b>186,965</b>	<b>153,834</b>	<b>203,748</b>	<b>236,879</b>	<b>199,351</b>
<b>Total</b>	<b>173,841</b>	<b>131,961</b>	<b>578,947</b>	<b>559,467</b>	<b>747,077</b>	<b>766,557</b>	<b>767,083</b>



<i>Date of recognition Performance obligations met on specific date (Product sales)</i>	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
	2021	2020	2021	2020	2020
Paediatrics	128,927	98,248	447,646	433,193	570,829
Adult Health	39,220	26,944	105,483	106,079	148,635
Other	713	481	2,057	1,533	2,027
<b>Total</b>	<b>168,860</b>	<b>125,673</b>	<b>555,186</b>	<b>540,805</b>	<b>721,491</b>
<i>Performance obligations met over time (Royalty)</i>					
Paediatrics	1,903	3,606	5,935	10,304	12,282
Adult Health	2,869	2,397	16,211	7,798	12,551
Other	209	284	1,615	560	753
<b>Total</b>	<b>4,981</b>	<b>6,287</b>	<b>23,761</b>	<b>18,662</b>	<b>25,586</b>
<b>Total</b>	<b>173,841</b>	<b>131,961</b>	<b>578,947</b>	<b>559,467</b>	<b>747,077</b>

**NOTE 2 SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<i>(Amounts in SEK 000s)</i>	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
Opening balance	1,746,245	507,874	507,874
New issue, net	-	-	1,130,512
New issue warrants	4,989	-	-
Dividend	-68,870	-65,012	-65,012
Provision to Foundation to Prevent Antibiotic Resistance	-2,800	-2,800	-2,800
Comprehensive income for the period	159,248	137,498	175,671
<b>Closing balance</b>	<b>1,838,812</b>	<b>577,560</b>	<b>1,746,245</b>

**LARGEST SHAREHOLDERS AT 30 SEPTEMBER 2021 (SOURCE: MONITOR)**

	A shares	B shares	Share capital	No. of votes	Capital (%)	Votes (%)
1 Annwall & Rothschild Investments AB	740,668	100,000	840,668	7,506,680	4.2%	27.9%
2 EQT		1,625,000	1,625,000	1,625,000	8.0%	6.0%
3 Fjärde AP-fonden		1,624,000	1,624,000	1,624,000	8.0%	6.0%
4 Premier Miton Investors		1,274,376	1,274,376	1,274,376	6.3%	4.7%
5 Handelsbanken Fonder		1,163,470	1,163,470	1,163,470	5.8%	4.3%
6 TIN Fonder		668,835	668,835	668,835	3.3%	2.5%
7 Cargill Inc		600,000	600,000	600,000	3.0%	2.2%
8 Tredje AP-fonden		494,909	494,909	494,909	2.5%	1.8%
9 AMF Pension & Fonder		403,197	403,197	403,197	2.0%	1.5%
10 Juno Investment Partners		371,038	371,038	371,038	1.8%	1.4%
Other shareholders		11,130,969	11,130,969	11,130,969	55.1%	41.4%
<b>Total</b>	<b>740,668</b>	<b>19,455,794</b>	<b>20,196,462</b>	<b>26,862,474</b>	<b>100%</b>	<b>100%</b>



## Consolidated key ratios

	Jan–Sep 2021	Jan–Sep 2020	Jan–Dec 2020
Net sales, SEK 000s	578,947	559,467	747,077
Growth of net sales	3%	0%	-3%
Operating profit, SEK 000s	200,647	182,900	228,150
Profit after tax, SEK 000s	157,998	141,263	179,730
Return on equity	9%	26%	16%
Return on capital employed	11%	33%	20%
Capital employed, SEK 000s	1,850,030	587,899	1,757,557
Number of shares, thousands	20,196	17,336	20,196
Average number of shares before dilution, thousands <sup>1)</sup>	20,196	17,474	17,855
Average number of shares after dilution, thousands <sup>1)</sup>	20,196	17,474	17,855
Earnings per share before dilution, SEK <sup>1) 2)</sup>	7.82	8.08	10.07
Earnings per share after dilution, SEK <sup>1) 2)</sup>	7.82	8.08	10.07
Equity per share, SEK <sup>1)</sup>	91.05	33.05	97.80
Equity/assets ratio	93%	81%	91%
Operating margin	35%	33%	31%
Profit margin	35%	33%	30%
Average number of employees	158	157	157

- 1) A bonus issue element from the 2020 new issue has been taken into account in the calculation of earnings per share before and after dilution and equity per share, which means that comparative figures have been recalculated.
- 2) Key ratio defined according to IFRS.

A list of definitions of key ratios reported in the consolidated financial statements is provided on page 66 of BioGaia's annual report for 2020. In this report, BioGaia reports information used by Executive Management to assess the Group's development. Some of the key ratios presented are not defined according to IFRS. The company is of the opinion that these metrics provide valuable complementary information to stakeholders and the company's management since they contribute to evaluation of relevant trends and the company's performance. Since not all companies calculate key ratios in the same manner, these are not always comparable to metrics used by other companies. These key ratios should therefore not be seen as a replacement for metrics defined according to IFRS. With effect from 3 July 2016, ESMA's guidelines on alternative performance measures are applied which means extended disclosure requirements regarding key ratios not defined according to IFRS. A reconciliation of key ratios that BioGaia considers relevant according to these guidelines is provided below.

### RECONCILIATION KEY RATIOS

(Amounts in SEK 000s)

	Jan–Sep 2021	Jan–Sep 2020	Jan–Dec 2020
<b>Return on equity</b>			
Profit attributable to owners of the Parent Company (A)	157,998	141,263	179,730
Equity attributable to owners of the Parent Company	1,838,810	577,558	1,746,243
Average equity attributable to owners of the Parent Company (B)	1,792,527	542,715	1,127,058
Return on equity (A/B)	9%	26%	16%
<b>Return on capital employed</b>			
Operating profit	200,647	182,900	228,150
Financial income	64	109	155
Profit before net financial items + financial income (A)	200,711	183,009	228,306
Total assets	1,967,688	711,867	1,913,282
Interest-free liabilities	-117,658	-123,968	-155,725
Capital employed	1,850,030	587,899	1,757,557
Average capital employed (B)	1,803,794	553,056	1,137,885
Return on capital employed (A/B)	11%	33%	20%

### RECONCILIATION KEY RATIOS, CONTINUED

(Amounts in SEK 000s)

	30 Sep 2021	30 Sep 2020	31 Dec 2020
<b>Equity/assets ratio</b>			
Equity (A)	1,838,812	577,560	1,746,245
Total assets (B)	1,967,688	711,867	1,913,282
Equity/assets ratio (A/B)	93%	81%	91%
<b>Operating margin</b>			
Operating profit (A)	200,647	182,900	228,150
Net sales (B)	578,947	559,467	747,077
Operating margin (A/B)	35%	33%	31%
<b>Profit margin</b>			
Profit before tax (A)	200,078	182,447	227,583
Net sales (B)	578,947	559,467	747,077
Profit margin (A/B)	35%	33%	30%



<i>Equity per share</i>				
Equity attributable to owners of the Parent Company (A)		1,838,810	577,558	1,746,243
Average number of shares, before and after dilution (B)		20,196	17,474	17,855
Equity per share (A/B)		91.05	33.05	97.80

**CHANGE IN SALES BY SEGMENT (INCLUDING AND EXCLUDING FOREIGN EXCHANGE EFFECTS)**

Description	Paediatrics		Adult Health		Other		Total	
	Jul-Sep 2021	Jan-Sep 2021	Jul-Sep 2021	Jan-Sep 2021	Jul-Sep 2021	Jan-Sep 2021	Jul-Sep 2021	Jan-Sep 2021
<i>(Amounts in SEK 000s)</i>								
<b>A</b> Previous year's net sales according to the average rate	101,854	443,497	29,341	113,878	766	2,093	131,962	559,467
<b>B</b> Net sales for the year according to the average rate	130,830	453,581	42,089	121,694	922	3,672	173,841	578,947
<b>C</b> Recognised change (B-A)	28,976	10,084	12,748	7,816	156	1,579	41,879	19,480
<b>Percentage change (C/A)</b>	<b>28%</b>	<b>2%</b>	<b>43%</b>	<b>7%</b>	<b>20%</b>	<b>75%</b>	<b>32%</b>	<b>3%</b>
<b>D</b> Net sales for the year according to the previous year's average rate (D)	134,322	491,241	43,204	131,188	922	3,671	178,448	626,100
<b>E</b> Foreign exchange effects (C-F)	-3,491	-37,660	-1,115	-9,495	0	1	-4,606	-47,154
<b>Percentage change (E/A)</b>	<b>-3%</b>	<b>-8%</b>	<b>-4%</b>	<b>-8%</b>	<b>0%</b>	<b>0%</b>	<b>-3%</b>	<b>-8%</b>
<b>F</b> Organic change (D-A)	32,467	47,744	13,863	17,311	156	1,578	46,485	66,634
<b>Organic change per cent (F/A)</b>	<b>32%</b>	<b>11%</b>	<b>47%</b>	<b>15%</b>	<b>20%</b>	<b>75%</b>	<b>35%</b>	<b>12%</b>

Average key exchange rates	Jul-Sep 2021	Jul-Sep 2020	Jan-Sep 2021	Jan-Sep 2020	Jan-Dec 2020
EUR	10.16	10.36	10.14	10.60	10.54
USD	8.56	8.88	8.41	9.51	9.27
JPY	0.0788	0.0836	0.0782	0.0874	0.0862

Closing date key exchange rates	30 Sep 2021	30 Sep 2020	31 Dec 2020
EUR	10.20	10.54	10.04
USD	8.79	8.99	8.19
JPY	0.0786	0.0851	0.0792

Pledged assets and contingent liabilities	GROUP	
	30 Sep 2021	31 Dec 2020
<i>(Amounts in SEK 000s)</i>		
Floating charges	0	0
Contingent liabilities	None	None



## Financial calendar

**4 FEB 2022** 🕒 Year-end report 2021

**MAR 2022** 🕒 Annual Report 2021

**6 MAY 2022** 🕒 Annual General Meeting 2021

**6 MAY 2022** 🕒 8:00 a.m. CEST Interim management statement 1  
January – 31 March 2022

**22 JUL 2022** 🕒 8:00 a.m. CEST Interim Report 1 January – 30  
June 2022

**21 OCT 2022** 🕒 8:00 a.m. CEST Interim management statement 1  
January – 30 September 2022

Stockholm, 21 October 2021

Isabelle Ducellier  
CEO

**This interim management statement has not been audited.**





# BIOGAIA AB

## THE COMPANY

BioGaia is a Swedish world-leading probiotic company that has been at the forefront of microbiome research for more than 30 years. BioGaia develops, markets and sells probiotic products with documented health benefits. The company operates throughout the value chain partly through the company and partly through global networks of leading, independent researchers and specialists, production experts and local distribution partners.

BioGaia's products contain strains of the lactic acid bacterium *L. reuteri* (*Limosilactobacillus reuteri*, formerly known as *Lactobacillus reuteri*). Results from clinical studies with BioGaia's probiotic strains have been published in more than 200 articles in scientific journals, proving that they are effective and safe in children and adults. By developing and offering clinically-proven and user-friendly probiotic products, BioGaia wants to contribute to improved global health.

BioGaia has 159 employees, of whom 128 are based in Sweden (Stockholm, Lund, Eslöv and Gothenburg), two in the USA, two in Singapore and 27 in Japan. The class B shares of the Parent Company BioGaia AB are quoted on the Mid Cap List of Nasdaq OMX Nordic Exchange Stockholm.

## BUSINESS MODEL

BioGaia's business model is based on long-term collaboration with international networks within research, production and distribution.

BioGaia's revenue comes mainly from the sale to distributors of drops, tablets and capsules for gut health, oral rehydration solution (ORS), lozenges for oral health and capsules for bone health. Revenue is also earned from the sale of bacterial cultures to be used in licensee products (such as infant formula and dairy products), as well as royalties for the use of *L. reuteri* in licensee products.

The products are sold through pharmaceutical and nutrition companies in over 100 countries.

BioGaia holds patents for the use of certain strains of *L. reuteri* and certain packaging solutions in all major markets.

## THE BIOGAIA BRAND

BioGaia launched its own consumer brand at the beginning of 2006. Today a number of distribution partners sell finished products under the BioGaia brand in a large number of markets. One central part of BioGaia's strategy is to increase the proportion of sales consisting of BioGaia-branded products. Of products (drops, tablets for gut and oral health, oral rehydration, etc.) sold in 2020, 77% (71%) were sold under the BioGaia brand including co-branding.

Some of BioGaia's distributors sell finished consumer products under their own brand names. On these products, the BioGaia brand is shown on the consumer package since BioGaia is both the manufacturer and licensor.

BioGaia's licensees add *L. reuteri* culture to their products and sell these under their own brand names. On these products, the BioGaia brand is most often shown on the package as the licensor/patent holder.

## RESEARCH AND CLINICAL STUDIES

BioGaia's strains of *L. reuteri* are among the most studied probiotics in the world, especially in young children.

Studies have been performed on:

- Infantile colic
- Antibiotic-associated diarrhoea (AAD)
- Acute diarrhoea
- Gingivitis (inflammation of the gums)
- Periodontal disease
- *Helicobacter pylori* (the gastric ulcer bacterium)
- Low bone density
- Functional abdominal pain
- Tonsillitis and pharyngitis (upper respiratory tract infection)

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