

BioGaia®

Interim Report

January - June 2024



Q2 2024

SECOND QUARTER 2024

For balance sheet items, figures in parentheses refer to year-end 2023 figures. For income statement and cash flow items, they refer to the same period last year.

Net sales amounted to SEK 384.1 million (315.2), an increase of SEK 68.9 million, or 22% (excluding foreign exchange effects, 21%).

Net sales in the Pediatrics segment amounted to SEK 304.8 million (231.7), an increase of 32% (excluding foreign exchange effects an increase of 30%).

Net sales in the Adult Health segment amounted to SEK 78.2 million (83.0), a decrease of 6% (excluding foreign exchange effects, a decrease of 7%).

Operating expenses amounted to SEK 148.7 million (131.4), an increase of SEK 17.3 million (13%). Operating expenses, excluding items affecting comparability, increased by 14% to SEK 151.4 million (132.7).

Operating profit increased by 42% to SEK 135.4 million (95.0), which corresponds to an operating margin of 35% (30%). Adjusted operating profit increased by 41% to SEK 132.6 million (93.8), which corresponds to an adjusted operating margin of 35% (30%). Items affecting comparability in the quarter primarily include the reversal of an accrual for litigation fees in connection with the termination of the distribution agreement in Italy.

Profit after tax amounted to SEK 111.0 million (80.5), an increase of 38%.

Earnings per share amounted to SEK 1.10 (0.80) before and after dilution.¹

Cash flow amounted to SEK -582.2 million (-215.7). Cash flow includes dividends of SEK 696.8 million (292.8).

Cash and cash equivalents at 30 June 2024 amounted to SEK 1,007.7 million (1,544.2).

Key events in the second quarter of 2024

On 5 June, BioGaia announced that it is establishing its own distribution in Australia and New Zealand through two newly formed subsidiaries based in Sydney, Australia.

FIRST HALF 2024

Figures in parentheses refer to the corresponding period last year, unless otherwise specified.

Net sales amounted to SEK 753.9 million (681.0), an increase of SEK 72.9 million, or 11% (excluding foreign exchange effects, 11%).

Net sales in the Pediatrics segment amounted to SEK 597.1 million (537.7), an increase of 11% (excluding foreign exchange effects, 11%).

Net sales in the Adult Health segment amounted to SEK 153.0 million (139.6), an increase of 10% (excluding foreign exchange effects, an increase of 10%).

Operating expenses amounted to SEK 271.3 million (245.9), an increase of SEK 25.4 million (10%). Operating expenses, excluding items affecting comparability, increased by 10% to SEK 269.1 million (244.8).

Operating profit increased by 15% to SEK 278.6 million (243.0), which corresponds to an operating margin of 37% (36%).

Adjusted operating profit increased by 15% to SEK 280.8 million (244.2), which corresponds to an adjusted operating margin of 37% (36%). Items affecting comparability primarily include litigation fees in connection with the termination of the distribution agreement in Italy.

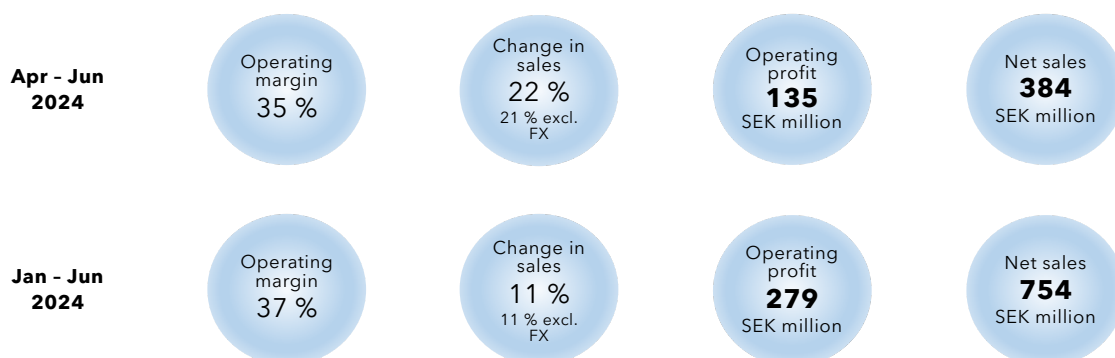
Profit after tax amounted to SEK 232.9 million (196.5), an increase of 19%.

Earnings per share amounted to SEK 2.31 (1.95) before and after dilution.¹

Cash flow amounted to SEK -541.4 million (-122.0). Cash flow includes dividends of SEK 696.8 million (292.8).

Key events after the end of the second quarter of 2024

On July 19, BioGaia announced that it signed a long-term agreement establishing a direct relationship with Recordati for the exclusive distribution of probiotics in the Italian market.



	Apr - Jun 2024	Apr - Jun 2023
Net sales, SEK 000s	384,122	315,217
Growth in net sales	22%	9%
Operating profit, SEK 000s	135,377	95,037
Operating margin	35%	30%
Profit after tax, SEK 000s	111,010	80,547
Number of shares, thousands	100,982	100,982
Earnings per share, before and after dilution, SEK ¹⁾	1.10	0.80

1) Key ratio defined according to IFRS. For definitions of other key ratios, see page 17.

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 08.00 a.m. CET on 23 July 2024.

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BioGaia AB (publ.) Interim report 2024

The Board of Directors and the CEO of BioGaia AB hereby present the interim report statement for the period 1 January - 30 June 2024.

CEO's comment

Double-digit growth and two additional direct markets

The overall good results continued in the second quarter of 2024 thanks to thriving activity in our market areas, especially in APAC. We had a strong operating margin of 35% and net sales of SEK 384 million (315), a double-digit sales growth of 22% (21% excluding foreign exchange effects). For the First Half, we had an operating margin of 37% (36%) and net sales of SEK 754 million (681), a growth of 11% (11% excluding foreign exchange effects).

For the second quarter, the Pediatric segment increased by 32% compared to the previous year driven especially by Asia Pacific and the Adult segment declined by 6% compared to the previous year, due to order variability in Protectis tablets. For the First Half, the Adult segment grew by 10%. Our products Protectis drops and Protectis chewables for pediatrics stand out with strong performances in the second quarter.

We successfully established a new subsidiary in Australia and New Zealand in the second quarter. Soon, we will deliver our branded BioGaia Protectis drops products to the pharmacy and grocery store channels in the Australian market and will launch our local e-commerce platforms. This establishment has been both exciting and educational, allowing us to leverage synergies and learnings from earlier direct market expansions. Unlike in several other direct markets where our products are classified as food supplements, in Australia, they are classified as complementary medicines, which entails higher regulatory requirements. I am confident that our clinically proven probiotics will receive a positive response from local healthcare professionals and consumers. In the future, we will aim to launch more of our BioGaia branded probiotic products in the pharmacy channel in both Australia and New Zealand.

Legal outcome in Italy

In early July, following our earlier dispute, termination with and stopping sales to our distributor Noos, we won the resulting arbitration, and we have now been able to finalize a direct long-term contract with our previous subdistributor, Recordati as our new sole distribution partner in Italy. Recordati is a global pharmaceutical company listed on the Italian stock exchange and is also our trusted distribution partner in Spain and Portugal. This expanded collaboration will leverage Recordati's extensive distribution network and market expertise, significantly enhancing our presence in these markets.

Developments in our market areas during the second quarter

Sales increased by 7% in EMEA in the quarter, driven by Spain, Germany, and Eastern Europe. In our direct market, the UK, we increased sales through Amazon and continued strong sales through Boots pharmacies. Additionally, we launched Prodentis in the two largest wholesalers in the UK, marking the first product launch in our oral health category in the country. In Finland, sales through pharmacies continued to grow during the quarter and in Spain there has been strong growth also in the pharmacy channel.

In Asia Pacific, we maintained a strong performance in the quarter with sales increasing by 49%, primarily driven by China and South Korea. China has been actively launching our new packaging design. The design includes a uniform symbol for a global recognition of our products. Overall, China is building up inventory this quarter in preparation for several upcoming events, fairs, and congresses, targeting both medical professionals and consumers.

In the Americas, our sales increased by 22% in the quarter, and on Amazon we have continued to reach record levels in the US. Sales of our oral health products, especially Prodentis lozenges, are increasing. In Latin America, we see growth in the quarter for both Protectis drops and chewable tablets.

Cultivating synergies between probiotic strains

We continuously conduct preclinical research on both our current probiotic strains and new bacteria strains to understand their individual and combined effects. Recently, we published an article in the scientific journal Applied and Environmental Microbiology, examining how a new probiotic strain, Bifidobacterium longum subsp. longum BG-L47, could be an ideal partner for our strain L. reuteri DSM 17938. Building on these promising results, we will soon commence the clinical evaluation of the synergies between these two strains.

Continued emphasis on our BioGaia brand and direct businesses

During my tenure as CEO of BioGaia of nearly a year, I have had the opportunity to see the remarkable strength of our products, brand, and the dedicated team behind them but also the substantial market opportunities. Based on these insights, I am confident about our decision to ramp up investments to drive continued growth, starting in H2 2024, and building on our already strong foundation.

The investments follow our company strategy and will include: 1) targeted investments in consumer marketing to bolster awareness and brand recognition, 2) further expansion in established direct markets, such as the USA and Canada, while at the same time developing newer direct markets like Australia and New Zealand and 3) more investments in R&D to further differentiate our products from competitors. We will continue to prioritize markets with significant potential, including the US, the world's largest probiotics market, as well as Canada and Australia, both ranked in the top 15 globally.

These strategic investments are anticipated to deliver strong growth rates, above the market. Costs are projected at SEK 75-85 million in the second half of 2024, on top of normal operating costs. We will closely evaluate the investments' efficiency and impact to ensure alignment with our growth objective. We maintain committed to delivering on our long-term operating margin target of at least 34%.

Our commitment to our long-term objectives remains resolute, with a continued focus on enhancing shareholder value and reaching our vision to be the most trusted probiotic brand in the world.



Theresa Agnew
President and CEO, BioGaia
23 July 2024



Teleconference: Investors, analysts, and the media are invited to take part in a teleconference on the interim report to be held today, 23 July 2024, at 09:30 a.m. CEST with CEO Theresa Agnew and CFO Alexander Kotsinas. More information about the teleconference is available here <https://financialhearings.com/event/48495>.

Q2 2024

Revenue

SEKm	Apr - Jun 2024	Apr - Jun 2023	Change
Pediatrics	304.8	231.7	32%
Adult Health	78.2	83.0	-6%
Other	1.1	0.5	105%
Total	384.1	315.2	22%

	Jan - Jun 2024	Jan - Jun 2023	Change
Pediatrics	597.1	537.7	11%
Adult Health	153.0	139.6	10%
Other	3.8	3.8	0%
Total	753.9	681.0	11%

SEKm	Apr - Jun 2024	Apr - Jun 2023	Change
EMEA	137.4	127.8	7%
APAC	97.5	65.5	49%
Americas	149.3	121.9	22%
Total	384.1	315.2	22%

	Jan - Jun 2024	Jan - Jun 2023	Change
EMEA	298.9	271.2	10%
APAC	183.3	146.3	25%
Americas	271.8	263.6	3%
Total	753.9	681.0	11%

SALES SECOND QUARTER

Consolidated net sales amounted to SEK 384.1 million (315.2), which is an increase of SEK 68.9 million, or 22% (excluding foreign exchange effects, an increase of 21%).

Sales in EMEA amounted to SEK 137.4 million (127.8), an increase of 7%, which was due to higher sales in both the Pediatrics and Adult Health segments. Sales increased mainly in Germany, Spain and Turkey.

Sales in APAC amounted to SEK 97.5 million (65.5), an increase of 49%, which was due to higher sales in the Pediatrics segment. Sales increased mainly in China, South Korea, and Vietnam. Sales for the quarter were positively impacted by quarterly variations for individual orders in China.

Sales in Americas totaled SEK 149.3 million (121.9), up 22% due to increased sales in both the Pediatrics and Adult Health segments. Sales mainly increased in USA, Canada and Brazil. Sales for the quarter were positively impacted by quarterly variations for individual orders in Brazil.

SALES FIRST HALF YEAR

Consolidated net sales amounted to SEK 753.9 million (681.0), which is an increase of SEK 72.9 million, or 11% (excluding foreign exchange effects, an increase of 11%).

Sales in EMEA amounted to SEK 298.9 million (271.2), an increase of 10%, which was due to higher sales in both the Pediatrics and Adult Health segments. Sales in EMEA increased mainly in Eastern Europe, Germany and Spain.

Sales in APAC totaled SEK 183.3 million (146.3), up 25% due to increased sales in the Pediatrics segment. Sales increased primarily in China, South Korea, and Vietnam.

Sales in Americas totaled SEK 271.8 million (263.6), up 3% due to increased sales in the Adult Health segments. Sales mainly increased in USA and Canada.

Net sales bridge second quarter

SEKm	Change	
2023	315.2	
Foreign exchange	4.1	1.3%
Organic growth	64.8	20.6%
2024	384.1	21.9%

Net sales bridge first half year

SEKm	Change	
2023	681.0	
Foreign exchange	0.4	0.1%
Organic growth	72.4	10.6%
2024	753.9	10.7%

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Pediatrics



The Pediatrics segment accounts for approximately 80% of BioGaia's total sales. BioGaia Protectis drops remain the most sold product and are sold in more than 100 countries. Other key products within the Pediatrics segment include Protectis tablets, oral rehydration solution as well as cultures to be used as ingredients in licensee products.

SEKm	Apr - Jun 2024	Apr - Jun 2023	Change	Jan - Jun 2024	Jan - Jun 2023	Change
Pediatrics	304.8	231.7	32%	597.1	537.7	11%

SALES SECOND QUARTER

Sales in the Pediatrics segment amounted to SEK 304.8 million (231.7), an increase of 32% (excluding foreign exchange effects an increase of 30%).

Sales of BioGaia Protectis drops increased in all regions compared to the corresponding period last year. Sales increased mainly in China, Brazil and Canada.

Sales of BioGaia Protectis tablets within Pediatrics increased compared to the corresponding period last year. Sales increased in APAC and Americas, mainly in USA and Brazil.

SALES FIRST HALF YEAR

Sales in the Pediatrics segment amounted to SEK 597.1 million (537.7), an increase of 11% (excluding foreign exchange effects, an increase of 11%).

Sales of BioGaia Protectis drops increased in EMEA and APAC and decreased slightly in Americas compared to the corresponding period last year. Sales increased mainly in China and Canada.

Sales of BioGaia Protectis tablets within the Pediatrics segment increased in all regions compared to the corresponding period last year. Sales increased mainly in USA and the Philippines.

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Adult Health



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

SEKm	Apr - Jun 2024	Apr - Jun 2023	Change	Jan - Jun 2024	Jan - Jun 2023	Change
Adult Health	78.2	83.0	-6%	153.0	139.6	10%

SALES SECOND QUARTER

Sales in the Adult Health segment amounted to SEK 78.2 million (83.0), a decrease of 6% due to order variability (excluding foreign exchange effects, a decrease of 7%).

Sales of BioGaia Protectis tablets decreased compared to the corresponding period last year. Sales decreased in APAC and EMEA, mainly in South Africa, Belgium and Japan.

Sales of BioGaia Gastrus increased compared to the corresponding period last year, mainly in USA.

Sales of BioGaia Prodentis increased compared to the corresponding period last year. Sales increased in Americas and EMEA, mainly in USA and Germany.

SALES FIRST HALF YEAR

Sales in the Adult Health segment amounted to SEK 153.0 million (139.6), an increase of 10% (excluding foreign exchange effects, an increase of 10%).

Sales of BioGaia Protectis tablets increased compared to the corresponding period last year. Sales increased in Americas and EMEA, mainly in Eastern Europe.

Sales of BioGaia Gastrus increased compared to the corresponding period last year. Sales increased in all regions, mainly in USA.

Sales of BioGaia Prodentis increased compared to the corresponding period last year. Sales increased in EMEA and Americas, mainly in USA.

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Earnings

SECOND QUARTER

Gross margin

The total gross margin amounted to 74% (72%).

The gross margin for the Pediatrics segment amounted to 77% (74%) and for the Adult Health segment to 61% (67%). The main reason for the lower gross margin in the Adult Health segment is mix effects.

Operating expenses and operating profit

Operating expenses amounted to SEK 148.7 million (131.4), an increase of SEK 17.3 million (13%). Operating expenses, excluding items affecting comparability, increased by 14% to SEK 151.4 million (132.7). Items affecting comparability in the quarter primarily include the reversal of an accrual for litigation fees in connection with the termination of the distribution agreement in Italy.

Selling expenses amounted to SEK 110.3 million (89.7), an increase of 23%, due to higher costs for sales and marketing activities mainly in subsidiaries.

R&D expenses amounted to SEK 26.8 million (38.8), a decrease of 31% mainly due to timing effects and higher costs for clinical studies in the same period last year.

Administrative expenses amounted to SEK 5.8 million (11.4), a decrease of 49%. The decrease in administrative expenses was primarily due to a reversal of an accrual for litigation fees in connection with the termination of the distribution agreement in Italy and costs related to terminating rental premises in the same quarter last year.

Other operating expenses refers to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK 5.8 million (-8.5).

Operating profit amounted to SEK 135.4 million (95.0), an increase of 42%. The operating margin was 35% (30%).

Adjusted operating profit amounted to SEK 132.6 million (93.8), an increase of 41%. The adjusted operating margin was 35% (30%). Items affecting comparability in the quarter primarily include litigation fees in connection with the termination of the distribution agreement in Italy.

Net financial items amounted to SEK 7.4 million (7.0). Net financial items were impacted by the adjustment of the value of the earn-out in relation to Nutraceuticals in the amount of SEK -1.0 (-0.5) million.

Profit after tax and earnings per share

Profit after tax amounted to SEK 111.0 million (80.5), an increase of 38%. The effective tax rate was 22% (21%).

Earnings per share amounted to SEK 1.10 (0.80). There are no significant dilutive effects.

FIRST HALF YEAR

Gross margin

The total gross margin amounted to 73% (72%).

The gross margin for the Pediatrics segment amounted to 76% (74%) and for the Adult Health segment to 59% (65%).

Operating expenses and operating profit

Operating expenses amounted to SEK 271.3 million (245.9), an increase of SEK 25.4 million (10%). Operating expenses, excluding items affecting comparability, increased by 10% to SEK 269.1 million (244.8). Items affecting comparability primarily include litigation fees in connection with the termination of the distribution agreement in Italy.

Selling expenses amounted to SEK 206.3 million (177.8), an increase of 16%, due to higher costs for sales and marketing activities mainly in subsidiaries.

R&D expenses amounted to SEK 51.9 million (57.5), a decrease of 10% mainly due to timing effects and higher costs for clinical studies in the same period last year.

Administrative expenses amounted to SEK 19.7 million (21.1), a decrease of 7%.

Other operating expenses refers to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK -6.6 million (-10.5).

Operating profit amounted to SEK 278.6 million (243.0), an increase of 15%. The operating margin was 37% (36%).

Adjusted operating profit amounted to SEK 280.8 million (244.2), an increase of 15%. The adjusted operating margin was 37% (36%). Items affecting comparability primarily include litigation fees in connection with the termination of the distribution agreement in Italy.

Net financial items amounted to SEK 17.8 million (9.6). Net financial items were impacted by the adjustment of the value of the earn-out in relation to Nutraceuticals in the amount of SEK -2.2 (-1.9) million.

Profit after tax and earnings per share

Profit after tax amounted to SEK 232.9 million (196.5), an increase of 19%. The effective tax rate was 21% (22%).

Earnings per share amounted to SEK 2.31 (1.95). There are no significant dilutive effects.

Parent Company

The Parent Company's net sales amounted to SEK 624.0 million (517.6) and profit before tax was SEK 263.5 million (217.7). The financial net previous year included dividend amounting to 50.0 million. The financial performance of the Parent Company is in all material respects aligned with that of the Group.

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Balance sheet and cash flow

Balance sheet 30 June 2024

Total assets amounted to SEK 1,900.7 million (2,333.2).

Goodwill from the acquisition of Nutraceutics was adjusted for currency translation. The financial liability for the additional purchase price was value adjusted. For more information, see Note 3.

Compared with the preceding year, payables and receivables increased whereas inventory decreased.

Cash and cash equivalents at 30 June 2024 amounted to SEK 1,007.7 million (1,544.2).

Cash flow second quarter

Cash flow amounted to SEK -582.2 million (-215.7). Cash flow includes dividends of SEK 696.8 million (292.8).

Cash flow from operating activities amounted to SEK 119.1 million (104.6). The increase in cash flow in operations compared with the year-earlier period was mainly due to higher operating profit despite a negative change in working capital.

Investments amounted to SEK 2.2 million (24.6).

Cash flow first half year

Cash flow amounted to SEK -541.4 million (-122.0). The cash flow includes a dividend payment of SEK 696.8 million (292.8).

Cash flow from operating activities amounted to SEK 171.1 million (203.0). The decrease in cash flow in operations compared with the year-earlier period was mainly due to a negative change in working capital.

Investments amounted to SEK 11.0 million (25.9).

Other disclosures

Employees

The number of employees in the Group at 30 June 2024 totaled 220 (215 at 30 June 2023).

The company has an incentive program 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 annual salary. In addition to this program, BioGaia has also implemented a subscription warrants program as resolved by the 2021 Annual General Meeting. Furthermore, the 2024 Annual General Meeting resolved on a new employee stock option program that is currently being implemented.

Future outlook

BioGaia's goal is to create strong value growth and a good return for its 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 organization. BioGaia's dividend policy is to pay a shareholder dividend equal to 50% of profit after tax in the Group excluding non-recurring items.

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 a strong distribution network that covers a large share of key markets for BioGaia, 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 2023 on pages 109 and 110 and in Notes 26 and 27. No significant changes in these risks and uncertainties are assessed to have taken place at 30 June 2024.

Related party transactions

Annwall & Rothschild Investment AB owns 3,703,340 class A shares and 500,000 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 910,000 per year. Peter Rothschild is also a member of the remuneration committee and receives an additional fee of SEK 25,000 per year. During the quarter, Peter Rothschild received additional remuneration for significant working duties, in addition to his assignment on the Board, of SEK 120,000 in accordance with the decision of the Annual General Meeting and the Board of Directors.

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Key events in the second quarter of 2024

Launches in the second quarter of 2024.

Distributor	Country	Product
Pharmabest	Israel	BioGaia Protectis drops with vitamin D 10 ml
BioGaia	UK	BioGaia Prodentis lozenges mint

BioGaia establishes its own distribution in Australia and New Zealand. On June 5, BioGaia announced that it is establishing its own distribution in Australia and New Zealand through two newly formed subsidiaries.

Key events after the end of the second quarter of 2024

BioGaia signs a distribution agreement with Recordati in Italy.

On July 19, BioGaia announced that it signed a long-term agreement establishing a direct relationship with Recordati for the exclusive distribution of probiotics in the Italian market.

Accounting policies

This interim report has been prepared for the Group in accordance with IAS 34 Financial Reporting and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act. Disclosures according to IAS 34 Interim Financial Reporting are provided both in notes and elsewhere in the interim report. The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC) that have been approved by the European Commission for application in the EU. The accounting policies applied by the Group and the Parent Company are consistent with the accounting policies applied in preparation of the most recent annual report. The Parent Company prepares its financial statements in accordance with RFR 2 Accounting for Legal Entities, and the Swedish Annual Accounts Act, and applies the same accounting policies and valuation methods as in the most recent annual report.

New accounting standards

Management's assessment is that new and amended standards and interpretations that came into force in 2024 have not had a material effect on the Group's financial statements. Management's assessment is that new and amended standards and interpretations that have not yet come into effect will not have a material effect on the Group's financial statements for the period of initial application.

Q2 2024

Summary of consolidated statements of comprehensive income

(Amounts in SEK 000s)	Apr - Jun 2024	Apr - Jun 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023	Jul 2023 - Jun 2024	Jul 2022 - Jun 2023
Net sales (Note 1)	384,122	315,217	753,918	681,038	1,296,506	1,369,386	1,213,054
Cost of sales	-100,081	-88,779	-204,048	-192,088	-346,316	-358,276	-330,331
<i>Gross profit</i>	284,041	226,438	549,870	488,950	950,190	1,011,110	882,723
Selling expenses	-110,276	-89,677	-206,258	-177,791	-363,256	-391,723	-343,332
Administrative expenses	-5,756	-11,368	-19,682	-21,141	-39,249	-37,790	-42,139
Research and development expenses	-26,826	-38,816	-51,940	-57,500	-106,776	-101,216	-111,488
Other operating income/ expense	-5,806	8,460	6,570	10,517	2,194	-1,753	22,132
<i>Operating profit</i>	135,377	95,037	278,560	243,035	443,103	478,628	407,896
Financial income	8,856	7,173	20,817	9,931	41,532	52,418	96,625
Financial expenses	-1,481	-150	-3,026	-345	-15,801	-18,482	-650
<i>Profit before tax</i>	142,752	102,060	296,351	252,621	468,834	512,564	503,871
Tax	-31,742	-21,513	-63,494	-56,129	-103,482	-110,847	-88,448
Profit for the period	111,010	80,547	232,857	196,492	365,352	401,717	415,423
Gains/losses arising on translation of the statements of foreign operations	-2,581	13,640	13,287	12,561	-9,762	-9,036	19,424
Comprehensive income for the period	108,429	94,187	246,144	209,053	355,590	392,681	434,847
Profit for the period attributable to:							
Owners of the Parent Company	111,010	80,547	232,857	196,492	365,352	401,717	415,423
Non-controlling interests	-	-	-	-	-	-	-
Comprehensive income for the period attributable to: Owners of the Parent Company	111,010	80,547	232,857	196,492	365,352	401,717	415,423
Non-controlling interests	-	-	-	-	-	-	-
Comprehensive income for the period attributable to: Owners of the Parent Company	108,429	94,187	246,144	209,053	355,590	392,681	434,847
Earnings per share							
Earnings per share before dilution, (SEK)	1.10	0.80	2.31	1.95	3.62	3.98	4.11
Earnings per share after dilution, (SEK)	1.10	0.80	2.31	1.95	3.62	3.98	4.11
Number of shares (thousands)	100,982	100,982	100,982	100,982	100,982	100,982	100,982
Average number of shares before dilution, (thousands)	100,982	100,982	100,982	100,982	100,982	100,982	100,982
Average number of shares after dilution, (thousands)	101,004	100,982	100,998	100,982	100,982	100,993	100,982

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Consolidated balance sheets

(Amounts in SEK 000s)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets			
R&D projects in progress	46,240	46,154	46,230
Goodwill	174,246	178,059	165,174
Right-of-use assets	33,191	14,942	36,156
Property, plant, and equipment	180,955	163,149	177,172
Financial assets	28,013	28,013	28,013
Deferred tax assets	10,482	7,982	5,964
Deposits	51	52	48
Total non-current assets	473,178	438,351	458,757
Current assets excl. cash and cash equivalents	419,788	349,159	330,240
Cash and cash equivalents	1,007,742	1,369,566	1,544,192
Total current assets	1,427,530	1,718,725	1,874,432
Total assets	1,900,708	2,157,076	2,333,189
Equity and liabilities			
Equity attributable to owners of the Parent Company	1,575,310	1,883,805	2,030,342
Non-controlling interests	2	2	2
Total equity	1,575,312	1,883,807	2,030,344
Deferred tax liability	15,226	13,290	15,179
Non-current liabilities	90,164	42,215	91,932
Current liabilities	220,006	217,764	195,734
Total liabilities and equity	1,900,708	2,157,076	2,333,189

Q2 2024

Consolidated cash flow statements

(Amounts in SEK 000s)	Apr - Jun 2024	Apr - Jun 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Operating activities					
Operating profit	135,377	95,037	278,560	243,035	443,103
Depreciation/amortization	6,148	6,449	11,890	12,968	25,281
Other non-cash items	-1,657	-5,075	-3,136	-5,119	-1,478
Taxes	-24,556	-20,534	-60,995	-55,529	-80,294
Interest received and paid	8,364	7,023	20,026	9,585	40,461
Cash flow from operating activities before changes in working capital	123,676	82,900	246,345	204,940	427,073
Changes in working capital	-4,551	21,651	-75,293	-1,955	-1,108
Cash flow from operating activities	119,125	104,551	171,052	202,985	425,965
Investing activities					
Purchase of property, plant, and equipment	-2,233	-24,528	-11,006	-25,807	-48,568
Purchase of intangible assets	-8	-26	-9	-79	-146
Purchase of financial assets	-	-	-	-	-2,221
Cash flow from investing activities	-2,241	-24,554	-11,015	-25,886	-50,935
Financing activities					
Dividend	-696,778	-292,849	-696,778	-292,849	-292,849
Repayment of lease liability	-2,345	-2,891	-4,627	-5,834	-10,755
Provision to Foundation to Prevent Antibiotic Resistance	-	-	-	-	-4,400
Repurchase of warrants	-	-	-	-417	-417
Cash flow from financing activities	-699,123	-295,740	-701,405	-299,100	-308,421
Cash flow for the period	-582,239	-215,743	-541,368	-122,001	66,609
Cash and cash equivalents at the beginning of the period	1,591,393	1,580,822	1,544,192	1,488,366	1,488,366
Exchange difference in cash and cash equivalents	-1,412	4,487	4,918	3,201	-10,783
Cash and cash equivalents at the end of the period	1,007,742	1,369,566	1,007,742	1,369,566	1,544,192

Summary consolidated statement of changes in equity

(Amounts in SEK 000s)	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Opening balance	2,030,344	1,972,418	1,972,418
New issue and repurchase of warrants	-	-417	-417
Dividend	-696,777	-292,849	-292,849
Provision to Foundation to Prevent Antibiotic Resistance	-4,400	-4,400	-4,400
Comprehensive income for the period	246,144	209,053	355,590
Closing balance	1,575,312	1,883,807	2,030,344

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Note 1. Reporting by segment - Group

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

- **Pediatrics segment** (drops, gut health tablets, oral rehydration solution (ORS) and cultures to be used as ingredients in licensee products (such as infant formula).

- **Adult Health segment** (gut health tablets, oral health lozenges and cultures as an ingredient in a licensee's dairy products, Nutraceuticals own products as well as royalty revenues for Adult Health products).

- **Other segment** (smaller segments such as royalty from packaging solutions).

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 and liabilities.

(Amounts in SEK 000s)	Apr - Jun 2024	Apr - Jun 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023	Jul 2023 - Jun 2024	Jul 2022 - Jun 2023
Revenue by segment							
Pediatrics	304,809	231,723	597,088	537,680	1,013,522	1,072,930	950,801
Adult Health	78,200	82,953	153,019	139,566	275,230	288,684	254,816
Other	1,113	542	3,811	3,793	7,753	7,772	7,438
Total	384,122	315,217	753,918	681,038	1,296,506	1,369,386	1,213,054
Gross profit by segment							
Pediatrics	235,007	170,810	455,379	395,212	760,128	820,295	706,477
Adult Health	47,923	55,238	90,680	90,773	183,136	183,043	169,869
Other	1,111	390	3,811	2,964	6,925	7,772	6,378
Total	284,041	226,438	549,870	488,950	950,189	1,011,110	882,724
Selling, administrative, R&D expenses	-142,858	-139,861	-277,880	-256,432	-509,281	-530,729	-496,959
Other operating expenses/income	-5,806	8,460	6,570	10,517	2,194	-1,753	22,132
Operating profit	135,377	95,036	278,560	243,034	443,103	478,628	407,896
Net financial items	7,375	7,023	17,791	9,586	25,731	33,936	95,975
Profit before tax	142,752	102,059	296,351	252,620	468,834	512,564	503,871
Sales by geographical market							
APAC							
Pediatrics	71,839	28,989	129,534	80,121	176,797	226,210	143,020
Adult Health	24,838	36,742	50,360	64,080	121,999	108,279	111,369
Other	818	-242	3,360	2,057	5,289	6,592	4,676
Total APAC	97,495	65,489	183,254	146,258	304,085	341,081	259,065
EMEA							
Pediatrics	112,802	104,944	250,565	237,696	424,930	437,799	438,191
Adult Health	24,271	22,454	47,888	32,597	65,275	80,566	62,755
Other	283	446	441	880	1,575	1,136	1,790
Total EMEA	137,357	127,844	298,893	271,173	491,781	519,501	502,736
Americas							
Pediatrics	120,169	97,790	216,989	219,863	411,795	408,922	369,590
Adult Health	29,090	23,757	54,772	42,889	87,955	99,838	80,692
Other	10	338	10	856	889	44	971
Total Americas	149,269	121,885	271,771	263,607	500,640	508,804	451,253
Total	384,122	315,217	753,918	681,038	1,296,506	1,369,386	1,213,054

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Date of recognition (Amounts in SEK 000s)	Apr - Jun 2024	Apr - Jun 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Performance obligations met on specific date (Product sales)					
Pediatrics	304,809	231,723	597,088	537,680	1,013,522
Adult Health	75,164	80,507	147,680	135,269	266,030
Other	871	173	3,632	3,060	6,392
Total	380,844	312,402	748,400	676,008	1,285,944
Performance obligations met over time (Royalty)					
Pediatrics	-	-	-	-	-
Adult Health	3,036	2,446	5,339	4,297	9,201
Other	241	369	179	733	1,361
Total	3,277	2,815	5,519	5,030	10,561
Total	384,121	315,217	753,918	681,038	1,296,506

Note 2. Largest shareholders at 30 June 2024 (source: Vantage by Euroclear)

	A shares	B shares	Share capital	No. of votes	Capital	Votes
1 Anwall & Rothschild Investments AB	3,703,340	500,000	840,668	37,533,400	4.16%	27.94%
2 EQT		11,164,630	2,232,926	11,164,630	11.06%	8.31%
3 Fjärde AP-fonden		7,750,182	1,550,036	7,750,182	7.67%	5.77%
4 Premier Miton Investors		3,593,040	718,608	3,593,040	3.56%	2.68%
5 Cargill Inc		3,000,000	600,000	3,000,000	2.97%	2.23%
6 TIN Fonder		2,750,000	550,000	2,750,000	2.72%	2.05%
7 Juno Selection Fund		2,187,295	437,459	2,187,295	2.17%	1.63%
8 Tredje AP-fonden		2,150,915	430,183	2,150,915	2.13%	1.60%
9 AMF Aktiefond Småbolag		1,582,368	316,474	1,582,368	1.57%	1.18%
10 Länsförsäkringar Småbolag Sverige		1,088,215	217,643	1,088,215	1.08%	0.81%
Other shareholders		61,512,325	12,302,465	61,512,325	60.91%	45.80%
Total	3,703,340	97,278,970	20,196,462	134,312,370	100%	100%

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Note 3. Fair value

Financial liabilities

BioGaia has a financial liability relating to the additional purchase price in business acquisitions that is measured at fair value through profit or loss. The additional purchase price is due to the acquisition of Nutraceutics and is based on sales in Nutraceutics in 2026 or 2027. The amount, which will be settled in April 2027 or 2028, may also be adjusted if the agreed budget for marketing costs is exceeded.

Revaluation took place during the second quarter of 2024 and BioGaia's best assessment of fair value of the financial liability related to the additional purchase price at 30 June 2024 was therefore adjusted to SEK 51.4 million.

Estimates of fair value are based on Level 3 of the hierarchy for fair value, which means fair value is determined using valuation models where significant inputs are based on unobservable data. The measurement was based on anticipated future cash flows discounted with a market-based interest rate. The value adjustment is recognized as a financial expense of SEK 2.2 million (1.9) during the six-month period. The weighted average cost of capital (WACC) amounted to 10.59% (11.14% at 30 June 2023). The main impact for the value adjustment was a change in WACC and the time value.

(Amounts in SEK 000s)	Jan - Jun	Jan - Jun	Jan - Dec
	2024	2023	2023
Opening balance	46,529	33,627	33,627
Value adjustment	2,240	1,948	14,992
Exchange difference	2,658	1,393	-2,090
Closing balance	51,427	36,968	46,529

Financial assets

BioGaia owns shares in the companies Boneprox AB and Skinome AB through BioGaia Invest. These financial assets are measured at fair value through profit or loss. Estimates of fair value are based on Level 3 of the hierarchy for fair value, which means fair value is determined using valuation models where significant inputs are based on unobservable data.

(Amounts in SEK 000s)	Jan - Jun	Jan - Jun	Jan - Dec
	2024	2023	2023
Opening balance	28,013	25,793	25,793
Value adjustment	-	-	-
Acquisitions	-	2,220	2,220
Closing balance	28,013	28,013	28,013

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Consolidated key ratios

(Amounts in SEK 000s)	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Net sales	753,918	681,038	1,296,506
Growth of net sales	11%	19%	17%
Operating profit, SEK 000s	278,560	243,035	443,103
Adjusted operating profit, SEK 000s	280,819	244,179	444,247
Profit after tax, SEK 000s	232,857	196,492	365,352
Return on equity	13%	10%	18%
Return on capital employed	16%	13%	24%
Capital employed, SEK 000s	1,590,538	1,897,097	2,045,523
Number of shares, thousands	100,982	100,982	100,982
Average number of shares before dilution, thousands ¹⁾	100,982	100,982	100,982
Average number of shares after dilution, thousands ¹⁾	100,998	100,982	100,982
Earnings per share before dilution, SEK ¹⁾	2.31	1.95	3.62
Earnings per share after dilution, SEK ¹⁾	2.31	1.95	3.62
Equity per share, SEK	15.60	18.65	20.11
Equity/assets ratio	83%	87%	87%
Operating margin	37%	36%	34%
Adjusted operating margin	37%	36%	34%
Profit before tax margin	39%	37%	36%
Average number of employees	212	213	213

1) Key ratio defined according to IFRS.

A list of definitions of key ratios reported in the consolidated financial statements is provided on page 138 of BioGaia's annual report for 2023. 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. 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.

Key ratio	Definition/calculation	Purpose
Adjusted operating margin	Adjusted operating margin excluding items affecting comparability.	The adjusted measure provides enhanced understanding of the performance of operations.
Adjusted operating profit	Operating profit (earnings before financial items and tax) excluding items affecting comparability.	The adjusted measure provides enhanced understanding of the performance of operations.
Average number of shares	Time-weighted number of outstanding shares during the year taking bonus issue elements into account.	Used to calculate equity and earnings per share.
Capital employed	Total assets less interest-free liabilities.	Capital employed measures the company's ability, in addition to cash and liquid assets, to meet the requirements of business operations.
Earnings per share	Profit for the period attributable to owners of the Parent Company divided by the average number of shares (definition according to IFRS).	EPS measures how much of net profit is available for payment to the shareholders as dividends per share.
Equity/assets ratio	Shareholders' equity at the end of the period as a percentage of total assets.	A traditional metric to show financial risk expressed as the share of total assets financed by the shareholders. Shows the company's stability and ability to withstand losses.
Equity per share	Equity attributable to the owners of the Parent Company divided by the average number of shares.	Equity per share measures the company's net value per share and indicates whether a company will increase the shareholders' wealth over time.
Gross margin	Gross profit as a percentage of net sales.	The gross margin is used to measure profitability.
Growth	Sales for the period less sales for the year-earlier period divided by sales for the year-earlier period. Breakdown by foreign exchange, organic growth and acquisitions.	Shows the company's realized sales growth over time.
Items affecting comparability	Expenses in conjunction with restructuring, impairment, changes in provisions for share-based long-term incentive programs and other items of a nature that affect comparability.	The separate recognition of items that affect comparability between different periods provides enhanced understanding of the company's financial performance.
Operating margin (EBIT margin)	Operating profit expressed as a percentage of net sales.	The operating margin is used to measure operational profitability.
Profit before tax margin	Profit before tax as a percentage of net sales.	This key ratio makes it possible to compare profitability regardless of the corporate income tax.
Return on capital employed	Profit before net financial items plus financial income as a percentage of average capital employed.	Return on capital employed is used to analyze profitability, based on the amount of capital used.
Return on equity	Profit attributable to the owners of the Parent Company divided by average equity attributable to the owners of the Parent Company.	Return on equity is used to measure profit generation, over time, given the resources attributable to the owners of the Parent Company.

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Key ratio

(Amounts in SEK 000s)	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Return on equity			
Profit attributable to owners of the Parent Company (A)	232,857	196,492	365,352
Equity attributable to owners of the Parent Company	1,575,310	1,883,805	2,030,342
Average equity attributable to owners of the Parent Company (B)	1,802,826	1,930,311	2,001,379
Return on equity (A/B)	13%	10%	18%
Return on capital employed			
Operating profit	278,560	243,035	443,103
Financial income	20,817	9,931	41,532
Profit before net financial items + financial income (A)	299,377	252,966	484,635
Total assets	1,900,708	2,157,076	2,333,190
Interest-free liabilities	-310,170	-259,979	-287,666
Capital employed	1,590,538	1,897,097	2,045,523
Average capital employed (B)	1,818,031	1,940,938	2,015,151
Return on capital employed (A/B)	16%	13%	24%

Key ratio

(Amounts in SEK 000s)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Equity/assets ratio			
Equity (A)	1,575,312	1,883,807	2,030,344
Total assets (B)	1,900,708	2,157,076	2,333,189
Equity/assets ratio (A/B)	83%	87%	87%
Operating margin			
Operating profit (A)	278,560	243,035	443,103
Net sales (B)	753,918	681,038	1,296,506
Operating margin (A/B)	37%	36%	34%
Profit before tax margin			
Profit before tax (A)	296,351	252,621	468,834
Net sales (B)	753,918	681,038	1,296,506
Profit before tax margin (A/B)	39%	37%	36%
Equity per share			
Equity attributable to owners of the Parent Company (A)	1,575,310	1,883,805	2,030,342
Average number of shares (B)	100,982	100,982	100,982
Equity per share (A/B)	15.60	18.65	20.11

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Change in sales by segment (including and excluding foreign exchange effects)

(Amounts in SEK 000s)	Pediatrics		Adult Health		Other		Total	
	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun	Apr - Jun	Jan - Jun
	2024	2024	2024	2024	2024	2024	2024	2024
Description								
A Previous year's net sales according to the average rate	231,723	537,680	82,953	139,566	541	3,792	315,217	681,038
B Net sales for the year according to the average rate	304,809	597,087	78,200	153,019	1,113	3,813	384,122	753,918
C Recognized change (B-A)	73,086	59,407	-4,753	13,453	572	20	68,904	72,880
Percentage change (C/A)	32%	11%	-6%	10%	106%	1%	22%	11%
D Net sales for the year according to the previous year's average rate	301,579	596,739	77,374	152,924	1,113	3,812	380,065	753,475
E Foreign exchange effects (B-D)	3,230	348	826	95	0	0	4,056	443
Percentage change (E/A)	1%	0%	1%	0%	0%	0%	1%	0%
F Organic change (C-E)	69,856	59,059	-5,578	13,359	572	20	64,848	72,437
Organic change, % (F/A)	30%	11%	-7%	10%	106%	1%	21%	11%

Average key exchange rates	Apr - Jun 2024	Apr - Jun 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
EUR	11.61	11.39	11.38	11.25	11.48
USD	10.67	10.47	10.49	10.44	10.61
JPY	0.0683	0.0772	0.0691	0.0778	0.0760

Closing date key exchange rates	30 Jun 2024	30 Jun 2023	31 Dec 2023
EUR	11.36	11.79	11.10
USD	10.61	10.85	10.04
JPY	0.0661	0.0750	0.0710

Pledged assets and contingent liabilities - Group (Amounts in SEK 000s)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Pledged assets	None	None	None
Contingent liabilities	None	None	None

Adjusted operating profit - Group (Amounts in SEK 000s)	Apr - Jun 2024	Apr - Jun 2023	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Operating profit	135,377	95,037	278,560	243,035	443,103
Items affecting comparability	-2,741	-1,258	2,259	1,144	1,144
Adjusted operating profit	132,636	93,779	280,819	244,179	444,247

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Summary statements of comprehensive income - Parent Company

Parent Company income statement

(Amounts in SEK 000s)	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Net sales	623,938	517,622	1,015,763
Cost of sales	-228,500	-215,363	-385,989
Gross profit	395,438	302,259	629,774
Selling expenses	-88,215	-86,130	-173,785
Administrative expenses	-18,618	-20,032	-37,285
Research and development expenses	-49,780	-49,429	-100,260
Other operating income/expenses	6,647	10,528	1,844
Operating profit	245,472	157,196	320,288
Impairment loss on shares in subsidiaries	-	-	-3,974
Dividend	-	50,000	-
Net financial items	18,055	10,467	90,352
Profit before tax	263,527	217,663	406,666
Tax	-54,147	-32,743	-73,139
Profit for the period	209,380	184,920	333,527

Parent Company balance sheet

(Amounts in SEK 000s)	30 Jun 2024	30 Jun 2023	31 Dec 2023
Assets			
R&D projects in progress	46,240	304	46,230
Property, plant, and equipment	9,596	2,615	10,098
Shares in Group companies	252,575	335,575	247,575
Deferred tax assets	1,537	-	721
Total non-current assets	309,948	338,494	304,624
Current assets excl. cash and cash equivalents	338,274	262,287	260,382
Cash and cash equivalents	769,291	1,145,166	1,291,037
Total current assets	1,107,565	1,407,452	1,551,419
Total assets	1,417,513	1,745,947	1,856,043
Equity and liabilities			
Total equity	1,180,151	1,546,972	1,671,949
Deferred tax liability	9,445	-	9,445
Interest-free current liabilities	227,917	198,975	174,649
Total liabilities and equity	1,417,513	1,745,947	1,856,043

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Parent Company cash flow statement

(Amounts in SEK 000s)	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Operating activities			
Operating profit	245,472	157,196	320,288
Depreciation/amortization	1,136	700	2,444
Other non-cash items	-2,887	-7,401	-820
Taxes	-48,550	-38,991	-57,676
Interest received and paid	18,055	10,467	40,352
Cash flow from operating activities before changes in working capital	213,226	121,971	304,588
Changes in working capital	-35,439	-12,268	-36,299
Cash flow from operating activities	177,787	109,703	268,289
Investing activities			
Purchase of intangible assets	-9	-79	-146
Purchase of property, plant, and equipment	-633	-	-1,688
Purchase of financial assets	-5,000	-6,767	-6,767
Dividend received	-	50,000	50,000
Cash flow from investing activities	-5,642	43,154	41,399
Financing activities			
Dividend	-696,778	-292,849	-292,849
Provision to Foundation to Prevent Antibiotic Resistance	-	-	-4,400
Repurchase of warrants	-	-417	-417
Cash flow from financing activities	-696,778	-293,266	-297,666
Cash flow for the period	-524,633	-140,409	12,022
Cash and cash equivalents at the beginning of the period	1,291,037	1,280,710	1,280,710
Exchange difference in cash and cash equivalents	2,887	4,865	-1,695
Cash and cash equivalents at the end of the period	769,291	1,145,166	1,291,037

Summary Parent Company statement of changes in equity

(Amounts in SEK 000s)	Jan - Jun 2024	Jan - Jun 2023	Jan - Dec 2023
Opening balance	1,671,949	1,659,718	1,659,718
Dividend	-696,778	-292,849	-292,849
Provision to Foundation to Prevent Antibiotic Resistance	-4,400	-4,400	-4,400
Merger results	-	-	-23,631
New issue warrants	-	-417	-417
Comprehensive income for the period	209,380	184,920	333,527
Closing balance	1,180,151	1,546,972	1,671,949

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Financial calendar



🕒 8:00 a.m. CET Interim management statement
1 January - 30 September 2024



🕒 8:00 a.m. CET year-end report
1 January - 30 December 2024

The Board of Directors and the President and CEO declare that the six-month Interim Report provides a true and fair overview of the Parent Company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 23 July 2024

Peter Rothschild
Board Chairman

David Dangoor
Board Vice Chairman

Outi Armstrong
Member of the Board

Bénédicte Flambard
Member of the
Board

Barbro Fridén
Member of the Board

Anthon Jahreskog
Member of the Board

Vesa Koskinen
Member of the
Board

Vanessa Rothschild
Member of the Board

Theresa Agnew
President and CEO

Auditor's review report

Introduction

We have reviewed the interim report of BioGaia AB (publ), for the period 1 January – 30 June 2024. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 23 July 2024

Deloitte AB

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Authorised Public Accountant

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 with a vision to be the most trusted probiotic brand in the world. We develop, manufacture, market, and sell probiotic products for gut, oral, and immune health. The products are primarily based on different strains of the lactic acid bacterium *Limosilactobacillus reuteri*, *L. reuteri* (formerly *Lactobacillus*).

The class B shares of the Parent Company BioGaia AB are quoted on the Mid Cap List of Nasdaq Stockholm.

Business model

BioGaia has two types of distribution - sales through distribution partners and direct sales (subsidiaries). Most of BioGaia's revenue comes from the sale of gut health products, such as colic drops, immune- and oral health products. Revenues also include 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. BioGaia's products are available in more than 100 countries through partnerships with nutrition and pharmaceutical companies, as well as through our own subsidiaries.

BioGaia's direct distribution, through subsidiaries, extends across eight countries (Sweden, Finland, the UK, USA, Canada, Australia, New Zealand and Japan).

BioGaia holds patents for the use of certain strains of *L. reuteri* and certain packaging solutions in all major markets. At the end of 2023, BioGaia held more than 600 approved patents for various bacteria strains and territories.

The BioGaia brand

BioGaia launched its own consumer brand in 2006. Today, a number of BioGaia's distribution partners sell finished products under the BioGaia brand in a number of markets. One important element of BioGaia's brand strategy is to increase the percentage of sales under the BioGaia brand. Of products (drops, tablets for gut and oral health, oral rehydration, etc.) sold in 2023, 90% (86%) 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 in the world, in particular studies in young children, with strong pre-clinical and clinical evidence. As of December 2023, over 250 clinical studies with BioGaia's various strains of *L. reuteri* have been performed. These studies involved more than 22,000 individuals of all ages.

Over the years, BioGaia has performed studies in the following areas:

- Colic and constipation in infants
- Immune modulation and infection prevention
- Acute diarrhea
- Antibiotic-associated side effects, such as diarrhea
- Treatment of *H. pylori* infections
- Irritable bowel syndrome (IBS)
- Oral health, such as gingivitis (inflammation of the gums) and periodontitis (loosening of the teeth)
- Osteopenia
- Autism spectrum condition
- Urinary tract infections

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