

BioGaia®

Interim Management Statement January - September 2024



30 probiotic lozenges with L. reuteri DSM 17938 and L. reuteri ATCC PTA 5289. Food supplement with sweeteners.

BioGaia®
Prodentis®
Probiotic lozenges for gums and teeth*
Mint flavor



Q3 2024

THIRD 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 304.0 million (317.7), a decrease of SEK 13.7 million, or 4% (excluding foreign exchange effects a decrease of 2%).

Net sales in the Pediatrics segment amounted to SEK 225.8 million (255.8), a decrease of 12% (excluding foreign exchange effects a decrease of 9%).

Net sales in the Adult Health segment amounted to SEK 76.6 million (59.2), an increase of 29% (excluding foreign exchange effects an increase of 33%).

Operating expenses amounted to SEK 180.9 million (116.3), an increase of SEK 64.6 million (56%). Operating expenses, excluding items affecting comparability, increased by 11% to SEK 128.9 million (116.3).

Operating profit decreased by 65% to SEK 41.4 million (119.5), which corresponds to an operating margin of 14% (38%).

Adjusted operating profit decreased by 22% to SEK 93.4 million (119.5), which corresponds to an adjusted operating margin of 31% (38%). Items affecting comparability in the quarter primarily include an impairment loss attributed to the MetaboGen acquisition of SEK 51.2 million. The net income impact after tax is SEK -41.7 million. Of the total impairment losses SEK 5.3 million impacts goodwill and SEK 45.9 million impacts R&D projects in progress, both reported on the line-item research and development expenses. The impairment loss was caused by a clinical study that did not meet its primary endpoints.

Profit after tax amounted to SEK 36.6 million (101.5), a decrease of 64%. Earnings per share amounted to SEK 0.36 (1.01) before and after dilution.¹

Cash flow amounted to SEK 111.4 million (88.4).

Cash and cash equivalents at 30 September 2024 amounted to SEK 1,114.6 million (1,544.2).

Key events in the third quarter of 2024

On 19 July, BioGaia announced that it has entered into an exclusive distribution agreement with Recordati in Italy for BioGaia's probiotic products.

JANUARY - SEPTEMBER 2024

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

Net sales amounted to SEK 1,057.9 million (998.7), an increase of SEK 59.2 million, or 6% (excluding foreign exchange effects an increase of 7%).

Net sales in the Pediatrics segment amounted to SEK 822.9 million (793.5), an increase of 4% (excluding foreign exchange effects an increase of 5%).

Net sales in the Adult Health segment amounted to SEK 229.6 million (198.8), an increase of 16% (excluding foreign exchange effects an increase of 17%).

Operating expenses amounted to SEK 452.2 million (362.6), an increase of SEK 90.0 million (25%). Operating expenses, excluding items affecting comparability, increased by 10% to SEK 398.0 million (361.1).

Operating profit decreased by 12% to SEK 320.0 million (362.6), which corresponds to an operating margin of 30% (36%).

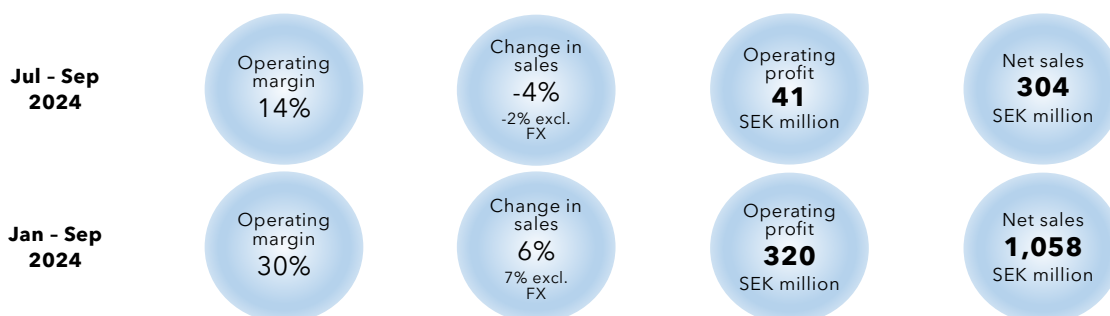
Adjusted operating profit increased by 3% to SEK 374.2 million (363.7), which corresponds to an adjusted operating margin of 35% (36%). Items affecting comparability primarily include an impairment loss attributed to the MetaboGen acquisition of SEK 51.2 million. The net income impact after tax is SEK -41.7 million. Of the total impairment losses SEK 5.3 million impacts goodwill and SEK 45.9 million impacts R&D projects in progress both reported on the line-item research and development expenses. The impairment loss was caused by a clinical study that did not meet its primary endpoints. Furthermore, items affecting comparability also includes litigation fees in connection with the termination of the distribution agreement in Italy of SEK 2.1 million.

Profit after tax amounted to SEK 269.5 million (298.0), a decrease of 10%. Earnings per share amounted to SEK 2.67 (2.95) before and after dilution.¹

Cash flow amounted to SEK -429.9 million (-33.6). Cash flow includes dividends of SEK 696.8 million (292.8).

Key events after the end of the third quarter of 2024

On October 17, BioGaia announced that BioGaia's results for the third quarter would be lower than market expectations.



	Jul - Sep 2024	Jul - Sep 2023
Net sales, SEK 000s	303,971	317,694
Growth in net sales	-4%	23%
Operating profit, SEK 000s	41,422	119,538
Operating margin	14%	38%
Profit after tax, SEK 000s	36,602	101,501
Number of shares, thousands	101,162	100,982
Earnings per share, before and after dilution, SEK ¹⁾	0.36	1.01

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 22 October 2024.

Q3 2024

BioGaia AB (publ.) Interim management statement 2024

The Board of Directors and the CEO of BioGaia AB hereby present the interim management statement for the period 1 January – 30 September 2024.

CEO's comment

Mixed results in our third quarter

The third quarter shows an overall sales decline of 4% (2% excluding foreign exchange effects) and an adjusted operating margin of 31% (38%), excluding the non-cash impairment loss attributed to the MetaboGen acquisition.

Over the quarter, we have experienced a mix of results. While certain areas have performed below our expectations, we are pleased with key successes in establishing direct presence in Australia, scaling up our business in Canada, record-breaking sales in the online sales channel in USA, strong growth in China and strong performance of our adult portfolio. Despite these short-term fluctuations in the quarter, we remain confident in our long-term strategy and the solid foundation we are building for sustainable growth.

Quarterly performance across segments and regions

The Pediatric segment declined driven by weak sales in EMEA which we are taking actions to improve. We are pleased with the performance of our Adult business with strong growth in Prodentis, Protectis tablets, and Gastrus tablets in the third quarter.

The Asia Pacific and Americas regions continue to show growth with Asia Pacific developing particularly strongly, driven primarily by our digital marketing efforts in e-Commerce and consumer channels. Performance declined in EMEA and LATAM due to country-specific challenges.

Sales declined in EMEA in the quarter due to poor performance in certain markets, such as Turkey, South Africa, and Spain. Turkey's high inflation has resulted in reduced consumer spending and has placed pressure on both consumer demand and our partner's business operations in Turkey.

Looking at the development year-to-date in Italy, we are facing increased competitive pressures alongside a delay in the market uptake of our products, attributed to the transition to our local distributor partner, Recordati.

Our direct market, the United Kingdom, continues to perform well. BioGaia Protectis drops achieved an expansion in distribution in Boots pharmacy chain after a successful launch in January and since August our drops are now in 1,200 stores.

Looking at the Americas, the USA and Canada continue to grow ahead of the market. The USA continues to show robust performance, particularly on online platforms such as Amazon. At the same time, we continue to be negatively affected by Nestle's decision to stop selling their co-branded Gerber/BioGaia products. In Canada, we have enhanced our sales by cultivating strong relationships with healthcare professionals, such as pediatricians and dental hygienists, through congresses, educational sessions, and other engagements. Simultaneously, we are boosting our brand awareness by actively participating in various events and social media platforms to connect with consumers directly. We have also heightened our focus on our oral health product, Prodentis, which we re-launched in Canada at the beginning of the year.

Sales in Latin America decreased slightly over the course of the quarter, mostly due to some order variability in Brazil. Mexico is developing well for the quarter, and we had strong growth in government tenders in Guatemala.

APAC is progressing steadily. Indonesia continued to show a positive in-market sales trend due to consistent marketing activities conducted by our partners. They have also participated in roadshows across major cities, focusing on the colic indication, alongside sales campaigns implemented in local retail pharmacy chains. In China, our partner participated in multiple national medical congresses promoting BioGaia's portfolio. To further increase the accessibility of BioGaia's products in the country, we opened a brand store for cross-border trade at Jingdong, one of the leading marketplaces in China.

MetaboGen clinical study results

The impairment loss is mainly related to the results of a recent clinical study, led by our colleagues at the Gothenburg laboratory (previously known as MetaboGen AB). The study aimed to prove the efficacy of a next-generation probiotic product for individuals with metabolic syndrome. It is a randomized, double-blind, placebo-controlled study that assessed the clinical efficacy of *F. prausnitzii* DSM 32379 and *D. piger* DSM 32187 in 108 prediabetic subjects. The primary endpoint, change in blood glucose over 12 weeks, unfortunately showed no significant difference between the probiotic and placebo groups. Additionally, no changes were observed in liver function or other prediabetes-related physiological parameters. However, a significant improvement in the Triglycerides/Glucose (TyG) ratio was noted in the probiotic group. Microbiome analysis is ongoing, with a clinical study report and manuscript in preparation.

Since the primary endpoint in the clinical study was not achieved, we recorded a non-cash impairment loss of SEK 51.2 million relating to this. With this said, we will continue to pursue other opportunities in the field of next-generation probiotics. While we are disappointed in the outcome of the clinical study, we expect no material change to our growth plan and strategy based on this outcome.

Flying start in our new direct markets: Australia and New Zealand

The launch activation for BioGaia in Australia and New Zealand is well underway. Our pharmacy sales team is securing premium shelf placements for our products, providing pharmacy staff training, and enhancing merchandising efforts. BioGaia's Chief Scientific Officer, Gianfranco Grompone, recently visited Sydney, Melbourne, and Brisbane to support the local team in their Healthcare Professional educational program. Training was provided to General Practitioners and Pharmacists, including at Chemist Warehouse, Australia's largest pharmacy chain. The sessions attracted high attendance and strong interest in BioGaia.

Australia's and New Zealand's BioGaia brand campaigns have been active since September. We participated in our first Parenting & Baby Expos, engaging thousands of parents. BioGaia was also featured on Australia's "Today Show" by Mumfluencer and Olympic swimmer Emily Seebohm, who mentioned our brand while discussing newborn crying solutions. In October, she will also share BioGaia content with her Instagram followers.

A solid foundation for managing an evolving landscape

Our focus remains on building our BioGaia brand, driving our direct businesses, and partnering with our distributors to drive future growth. We continue to invest in brand awareness and digital transformation, and to collect consumer insights and behavior changes to ensure we remain competitive in an evolving landscape. We will continue to make targeted investments in marketing and sales in our key direct businesses with the intention of driving future growth in our pediatric and adult products. We are optimizing operations and investing in new product development that will drive long-term growth and profitability, ensuring we continue delivering value to our shareholders and customers.

We are committed to enhancing the long-term competitiveness of BioGaia and driving growth beyond industry averages over the coming years. We remain committed to achieving our long-term operating margin target of at least 34%.

Theresa Agnew
President and CEO, BioGaia
22 October 2024



Teleconference: Investors, analysts, and the media are invited to take part in a teleconference on the interim management statement to be held today, 22 October 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/49311>.

Q3 2024

Revenue

SEKm	Jul - Sep 2024	Jul - Sep 2023	Change	Jan - Sep 2024	Jan - Sep 2023	Change
Pediatrics	225.8	255.8	-12%	822.9	793.5	4%
Adult Health	76.6	59.2	29%	229.6	198.8	16%
Other	1.5	2.7	-43%	5.3	6.5	-18%
Total	304.0	317.7	-4%	1,057.9	998.7	6%

SEKm	Jul - Sep 2024	Jul - Sep 2023	Change	Jan - Sep 2024	Jan - Sep 2023	Change
EMEA	94.1	128.9	-27%	393.0	400.1	-2%
APAC	76.8	61.7	24%	260.0	207.9	25%
Americas	133.1	127.1	5%	404.9	390.7	4%
Total	304.0	317.7	-4%	1,057.9	998.7	6%

SALES THIRD QUARTER

Consolidated net sales amounted to SEK 304.0 million (317.7), which is a decrease of SEK 13.7 million, or 4% (excluding foreign exchange effects a decrease of 2%).

Sales in EMEA amounted to SEK 94.1 million (128.9), a decrease of 27%, which was due to lower sales in the Pediatrics segment. Sales decreased mainly in Turkey, Spain and Poland.

Sales in APAC amounted to SEK 76.8 million (61.7), an increase of 24%, which was due to higher sales in both the Pediatrics and Adult Health segments. Sales increased mainly in Indonesia, China and Australia.

Sales in Americas totaled SEK 133.1 million (127.1), an increase of 5% due to increased sales in Adult Health segment. Sales mainly increased in USA, Guatemala and Canada.

SALES JANUARY TO SEPTEMBER

Consolidated net sales amounted to SEK 1,057.9 million (998.7), which is an increase of SEK 59.2 million, or 6% (excluding foreign exchange effects, an increase of 7%).

Sales in EMEA amounted to SEK 393.0 million (400.1), a decrease of 2%, which was due to lower sales in the Pediatrics segment. Sales in EMEA decreased mainly in Turkey, Italy and Belgium.

Sales in APAC totaled SEK 260.0 million (207.9), an increase of 25% due to increased sales in the Pediatrics segment. Sales increased primarily in China, Indonesia and South Korea.

Sales in Americas totaled SEK 404.9 million (390.7), an increase of 4% due to increased sales in the Adult Health segment. Sales mainly increased in USA, Guatemala and Chile.

Net sales bridge third quarter

SEKm	Change	
2023	317.7	
Foreign exchange	-8.9	-2.8%
Organic growth	-4.8	-1.5%
2024	304.0	-4.3%

Net sales bridge January-September

SEKm	Change	
2023	998.7	
Foreign exchange	-8,5	-0.8%
Organic growth	67.6	6.8%
2024	1,057.9	5.9%

Q3 2024

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	Jul - Sep 2024	Jul - Sep 2023	Change	Jan - Sep 2024	Jan - Sep 2023	Change
Pediatrics	225.8	255.8	-12%	822.9	793.5	4%

SALES THIRD QUARTER

Sales in the Pediatrics segment amounted to SEK 225.8 million (255.8), a decrease of 12% (excluding foreign exchange effects a decrease of 9%).

Sales of BioGaia Protectis drops decreased compared to corresponding period last year mainly in EMEA and Americas. Sales decreased in Turkey, Spain and Brazil.

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

SALES JANUARY-SEPTEMBER

Sales in the Pediatrics segment amounted to SEK 822.9 million (793.5), an increase of 4% (excluding foreign exchange effects an increase of 5%).

Sales of BioGaia Protectis drops increased compared to the corresponding period last year mainly in APAC. Sales increased in China, South Korea and Indonesia.

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

Q3 2024

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 Nutraceuticals' own products.

SEKm	Jul - Sep 2024	Jul - Sep 2023	Change	Jan - Sep 2024	Jan - Sep 2023	Change
Adult Health	76.6	59.2	29%	229.6	198.8	16%

SALES THIRD QUARTER

Sales in the Adult Health segment amounted to SEK 76.6 million (59.2), an increase of 29% (excluding foreign exchange effects an increase of 33%).

Sales of BioGaia Protectis tablets increased compared to the corresponding period last year. Sales increased in APAC, mainly in Indonesia and Hongkong.

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

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

SALES JANUARY-SEPTEMBER

Sales in the Adult Health segment amounted to SEK 229.6 million (198.8), an increase of 16% (excluding foreign exchange effects an increase of 17%).

Sales of BioGaia Protectis tablets increased compared to the corresponding period last year. Sales increased in Americas mainly in Chile.

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 Americas, mainly in USA.

Q3 2024

Earnings

THIRD QUARTER

Gross margin

The total gross margin amounted to 73% (74%).

The gross margin for the Pediatrics segment amounted to 75% (75%) and for the Adult Health segment to 66% (68%). 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 180.9 million (116.3), an increase of SEK 64.6 million (55%). Operating expenses, excluding items affecting comparability, increased by 11% to SEK 128.9 million (116.3). Items affecting comparability in the quarter primarily include an impairment loss attributed to the MetaboGen acquisition of SEK 51.2 million. The net income impact after tax is SEK -41.7 million. Of the total impairment losses SEK 5.3 million impacts goodwill and SEK 45.9 million impacts R&D projects in progress both reported on the line-item research and development expenses. The impairment loss was caused by a clinical study that did not meet its primary endpoints. Furthermore, items affecting comparability also include restructuring costs for personnel that amounted to SEK 0.8 million.

Selling expenses amounted to SEK 95.6 million (88.1), an increase of 9%, due to a larger proportion of direct sales through subsidiaries.

R&D expenses amounted to SEK 71.4 million (20.6), an increase of 246% mainly due to the impairment loss.

Administrative expenses amounted to SEK 9.2 million (7.9), an increase of 16%.

Other operating expenses refers to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK 4.8 million (-0.3).

Operating profit amounted to SEK 41.4 million (119.5), a decrease of 65%. The operating margin was 14% (38%).

Adjusted operating profit amounted to SEK 93.4 million (119.5), a decrease of 22%. The adjusted operating margin was 31% (38%). Items affecting comparability in the quarter primarily include the impairment loss related to MetaboGen.

Net financial items amounted to SEK 5.6 million (8.5). Net financial items were impacted by the adjustment of the value of the earn-out in relation to Nutraceuticals in the amount of SEK -1.9 (-0.2) million.

Profit after tax and earnings per share

Profit after tax amounted to SEK 36.6 million (101.5), a decrease of 64%. The effective tax rate was 22% (21%).

Earnings per share amounted to SEK 0.36 (1.01). There are no significant dilutive effects.

JANUARY-SEPTEMBER

Gross margin

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

The gross margin for the Pediatrics segment amounted to 76% (74%) and for the Adult Health segment to 61% (66%). 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 452.2 million (362.2), an increase of SEK 90.0 million (25%). Operating expenses, excluding items affecting comparability, increased by 10% to SEK 398.0 million (361.1). Items affecting comparability primarily include an impairment loss attributed to the MetaboGen acquisition of SEK 51.2 million. The net income impact after tax is SEK -41.7 million. Of the total impairment losses SEK 5.3 million impacts goodwill and SEK 45.9 million impacts R&D projects in progress both reported on the line-item research and development expenses. The impairment loss was caused by a clinical study that did not meet its primary endpoints. Furthermore, items affecting comparability also includes litigation fees in connection with the termination of the distribution agreement in Italy that amounted to SEK 2.1 million and restructuring costs for personnel that amounted to SEK 0.8 million.

Selling expenses amounted to SEK 301.8 million (265.9), an increase of 14%, due to a larger proportion of direct sales through subsidiaries.

R&D expenses amounted to SEK 123.3 million (78.1), an increase of 58% mainly due to the impairment loss.

Administrative expenses amounted to SEK 28.9 million (29.1), a decrease of 1%.

Other operating expenses refers to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK -1.8 million (-10.8).

Operating profit amounted to SEK 320.0 million (362.6), a decrease of 12%. The operating margin was 30% (36%).

Adjusted operating profit amounted to SEK 374.2 million (363.7), an increase of 3%. The adjusted operating margin was 35% (36%). Items affecting comparability primarily include the impairment loss related to MetaboGen and litigation fees in connection with the termination of the distribution agreement in Italy.

Net financial items amounted to SEK 23.4 million (18.1). Net financial items were impacted by the adjustment of the value of the earn-out in relation to Nutraceuticals in the amount of SEK -4.1 (-2.2) million.

Profit after tax and earnings per share

Profit after tax amounted to SEK 269.5 million (298.0), a decrease of 10%. The effective tax rate was 22% (22%).

Earnings per share amounted to SEK 2.67 (2.95). There are no significant dilutive effects.

Q3 2024

Balance sheet and cash flow

Balance sheet 30 September 2024

Total assets amounted to SEK 1,904.9 million (2,304.3).

Goodwill from the acquisition of Nutraceutics was adjusted for currency translation. Of the total impairment losses SEK -5.3 million impacts goodwill and SEK -45.9 million impacts R&D projects in progress. The financial liability for the additional purchase price was value adjusted. For more information, see Note 3.

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

Cash and cash equivalents at 30 September 2024 amounted to SEK 1,114.6 million (1,544.2).

Cash flow third quarter

Cash flow amounted to SEK 111.4 million (88.4).

Cash flow from operating activities amounted to SEK 100.0 million (99.0). The increase in cash flow in operations compared with the year-earlier period was mainly due to a decrease in accounts receivables in the quarter.

Investments, mainly in BioGaia Production, amounted to SEK 2.8 million (8.9).

Cash flow January-September

Cash flow amounted to SEK -429.9 million (-33.6). The cash flow includes a dividend payment of SEK 696.8 million (292.8).

Cash flow from operating activities amounted to SEK 271.1 million (304.2). 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 13.8 million (37.0).

Other disclosures

Employees

The number of employees in the Group at 30 September 2024 totaled 222 (213 at 30 September 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. The number of shares and votes in BioGaia increased during the quarter due to the exercise of some warrants issued under this program for subscription of shares. Through this subscription, the number of Class B shares and votes in BioGaia increased by 180,000 and the share capital increased by SEK 36,000. 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 addition to the current dividend policy, for the coming years BioGaia intends to pay extra dividends of 50 to 100% of profit after tax in the Group and after adjustment of non-recurring items, provided that the future cash flows are in line with BioGaia's projections.

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 September 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.

Q3 2024

Key events in the third quarter of 2024

Launches in the third quarter of 2024.

Distributor	Country	Product
AllergyCare	Switzerland	Pharax drops with vitamin D
Nestlé	Brazil	Nescare B. Lactis
Abbott	Mexico	BioGaia Protectis drops with vitamin D
Agefinsa	Guatemala	BioGaia Prodentis lozenges
Agefinsa	El Salvador	BioGaia Prodentis lozenges
Agefinsa	Honduras	BioGaia Prodentis lozenges
Abbott	Peru	BioGaia Protectis tablets with vitamin D

BioGaia signs distribution agreement with Recordati in Italy.

On July 19, BioGaia announced that it has entered into an exclusive distribution agreement with Recordati in Italy for BioGaia's probiotic products.

Key events after the end of the third quarter of 2024

BioGaia announced third quarter results. On October 17, BioGaia announced that the results for the third quarter were lower than market expectations.

Accounting policies

This interim management statement was prepared in all material respects in accordance with Nasdaq OMX Stockholm's guidance 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 income statement and balance sheet are consistent with the accounting policies applied in preparation of the most recent annual report. The financial accounts and segment information correspond to the statements used in interim financial reporting prepared in accordance with IAS 34 to provide comparability in the presentation between quarters. The interim management statement includes a Message from the CEO, even if this is not a requirement of Nasdaq Stockholm's guidance. The information is nevertheless deemed important in satisfying user needs.

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.

Q3 2024

Summary of consolidated statements of comprehensive income

(Amounts in SEK 000s)	Jul - Sep 2024	Jul - Sep 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023	Oct 2023- Sep 2024	Oct 2022- Sep 2023
Net sales (Note 1)	303,971	317,694	1,057,889	998,732	1,296,506	1,355,663	1,273,015
Cost of sales	-81,636	-81,847	-285,684	-273,935	-346,316	-358,065	-340,226
<i>Gross profit</i>	222,335	235,847	772,205	724,797	950,190	997,598	932,789
Selling expenses	-95,581	-88,068	-301,839	-265,859	-363,256	-399,236	-354,397
Administrative expenses	-9,188	-7,934	-28,870	-29,075	-39,249	-39,044	-42,498
Research and development expenses	-71,390	-20,630	-123,330	-78,130	-106,776	-151,976	-109,561
Other operating income/ expense	-4,754	323	1,816	10,840	2,194	-6,830	7,366
<i>Operating profit</i>	41,422	119,538	319,982	362,573	443,103	400,512	433,699
Financial income	7,849	10,733	28,666	20,664	41,532	49,534	102,092
Financial expenses	-2,290	-2,249	-5,316	-2,594	-15,801	-18,523	-2,699
<i>Profit before tax</i>	46,981	128,022	343,332	380,643	468,834	431,523	533,092
Tax	-10,379	-26,521	-73,873	-82,650	-103,482	-94,705	-95,671
Profit for the period	36,602	101,501	269,459	297,993	365,352	336,818	437,421
Gains/losses arising on translation of the statements of foreign operations	-12,922	-35	365	12,526	-9,762	-21,923	-3,320
Comprehensive income for the period	23,680	101,466	269,824	310,519	355,590	314,895	434,101
Profit for the period attributable to:							
Owners of the Parent Company	36,602	101,501	269,459	297,993	365,352	336,818	437,421
Non-controlling interests	-	-	-	-	-	-	-
	36,602	101,501	269,459	297,993	365,352	336,818	437,421
Comprehensive income for the period attributable to: Owners of the Parent Company	23,680	101,466	269,824	310,519	355,590	314,895	434,101
Non-controlling interests	-	-	-	-	-	-	-
	23,680	101,466	269,824	310,519	355,590	314,895	434,101
Earnings per share							
Earnings per share before dilution, (SEK)	0.36	1.01	2.67	2.95	3.62	3.33	4.33
Earnings per share after dilution, (SEK)	0.36	1.01	2.67	2.95	3.62	3.33	4.33
Number of shares (thousands)	101,162	100,982	101,162	100,982	100,982	101,162	100,982
Average number of shares before dilution, (thousands)	101,072	100,982	101,072	100,982	100,982	101,072	100,982
Average number of shares after dilution, (thousands)	101,082	100,982	101,081	100,982	100,982	101,073	100,982

Q3 2024

Consolidated balance sheets

(Amounts in SEK 000s)	30 Sep 2024	30 Sep 2023	31 Dec 2023
Assets			
R&D projects in progress	390	46,172	46,230
Goodwill	160,690	177,906	165,174
Right-of-use assets	30,953	40,479	36,156
Property, plant, and equipment	178,941	168,297	177,172
Financial assets	28,013	28,013	28,013
Deferred tax assets	9,385	8,804	5,964
Deposits	48	52	48
Total non-current assets	408,420	469,723	458,757
Current assets excl. cash and cash equivalents	381,896	382,002	330,240
Cash and cash equivalents	1,114,605	1,452,528	1,544,192
Total current assets	1,496,501	1,834,530	1,874,432
Total assets	1,904,921	2,304,253	2,333,189
Equity and liabilities			
Equity attributable to owners of the Parent Company	1,619,802	1,985,271	2,030,342
Non-controlling interests	2	2	2
Total equity	1,619,804	1,985,273	2,030,344
Deferred tax liability	5,699	13,274	15,179
Non-current liabilities	87,056	88,218	91,932
Current liabilities	192,362	217,488	195,734
Total liabilities and equity	1,904,921	2,304,253	2,333,189

Q3 2024

Consolidated cash flow statements

(Amounts in SEK 000s)	Jul - Sep 2024	Jul - Sep 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Operating activities					
Operating profit	41,422	119,538	319,982	362,573	443,103
Depreciation/amortization/impairment losses	57,549	5,250	69,439	18,218	25,281
Other non-cash items	2,818	3,568	-318	-1,551	-1,478
Taxes	-5,595	-17,200	-66,590	-72,729	-80,294
Interest received and paid	7,372	10,653	27,398	20,238	40,461
Cash flow from operating activities before changes in working capital	103,566	121,809	349,911	326,749	427,073
Changes in working capital	-3,537	-22,831	-78,830	-22,565	-1,108
Cash flow from operating activities	100,029	98,978	271,081	304,184	425,965
Investing activities					
Purchase of property, plant, and equipment	-2,804	-8,899	-13,810	-34,706	-48,568
Purchase of intangible assets	-2	-18	-11	-97	-146
Purchase of financial assets	-	-	-	-2,221	-2,221
Cash flow from investing activities	-2,806	-8,917	-13,821	-37,024	-50,935
Financing activities					
Dividend	-	-	-696,778	-292,849	-292,849
Repayment of lease liability	-2,189	-1,695	-6,816	-7,529	-10,755
Provision to Foundation to Prevent Antibiotic Resistance	-4,400	-	-4,400	-	-4,400
New share issue	20,815	-	20,815	-	-
Repurchase of warrants	-	-	-	-417	-417
Cash flow from financing activities	14,226	-1,695	-687,179	-300,795	-308,421
Cash flow for the period	111,449	88,366	-429,919	-33,635	66,609
Cash and cash equivalents at the beginning of the period	1,007,742	1,369,566	1,544,192	1,488,366	1,488,366
Exchange difference in cash and cash equivalents	-4,586	-5,404	332	-2,203	-10,783
Cash and cash equivalents at the end of the period	1,114,605	1,452,528	1,114,605	1,452,528	1,544,192

Summary consolidated statement of changes in equity

(Amounts in SEK 000s)	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Opening balance	2,030,344	1,972,418	1,972,418
New share issue	20 815	-	-
Repurchase of warrants	-	-417	-417
Dividend	-696,778	-292,849	-292,849
Provision to Foundation to Prevent Antibiotic Resistance	-4,400	-4,400	-4,400
Comprehensive income for the period	269,824	310,519	355,590
Closing balance	1,619,804	1,985,273	2,030,344

Q3 2024

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)	Jul - Sep 2024	Jul - Sep 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023	Oct 2023 - Sep 2024	Oct 2022 - Sep 2023
Revenue by segment							
Pediatrics	225,841	255,805	822,929	793,486	1,013,522	1,042,967	1,000,876
Adult Health	76,611	59,216	229,631	198,782	275,230	306,079	263,530
Other	1,519	2,672	5,330	6,465	7,753	6,618	8,609
Total	303,971	317,694	1,057,889	998,732	1,296,506	1,355,664	1,273,016
Gross profit by segment							
Pediatrics	170,291	193,116	625,670	588,328	760,128	797,470	747,387
Adult Health	50,525	40,059	141,206	130,832	183,136	193,509	177,745
Other	1,519	2,672	5,330	5,637	6,925	6,618	7,659
Total	222,335	235,847	772,205	724,797	950,189	997,597	932,789
Selling, administrative, R&D expenses	-176,159	-116,632	-454,039	-373,064	-509,281	-590,256	-506,456
Other operating expenses/income	-4,754	323	1,816	10,840	2,194	-6,830	7,366
Operating profit	41,422	119,538	319,982	362,573	443,103	400,512	433,700
Net financial items	5,559	8,484	23,350	18,070	25,731	31,011	99,393
Profit before tax	46,981	128,022	343,332	380,643	468,834	431,523	533,093
Sales by geographical market							
APAC							
Pediatrics	43,246	37,559	172,780	117,681	176,797	231,897	145,689
Adult Health	32,389	21,773	82,748	85,853	121,999	118,895	116,336
Other	1,132	2,356	4,492	4,412	5,289	5,369	5,914
Total APAC	76,767	61,688	260,020	207,946	304,085	356,160	267,940
EMEA							
Pediatrics	80,242	113,495	330,807	351,190	424,930	404,547	464,153
Adult Health	13,482	15,105	61,370	47,702	65,275	78,943	62,546
Other	379	311	820	1,191	1,575	1,205	1,799
Total EMEA	94,103	128,910	392,997	400,083	491,781	484,695	528,498
Americas							
Pediatrics	102,353	104,752	319,342	324,614	411,795	406,523	391,035
Adult Health	30,741	22,338	85,513	65,227	87,955	108,241	84,648
Other	7	6	18	862	889	45	896
Total Americas	133,101	127,096	404,872	390,703	500,640	514,809	476,578
Total	303,971	317,694	1,057,889	998,732	1,296,506	1,355,664	1,273,016

Q3 2024

Date of recognition (Amounts in SEK 000s)	Jul - Sep 2024	Jul - Sep 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Performance obligations met on specific date (Product sales)					
Pediatrics	225,841	255,805	822,929	793,486	1,013,522
Adult Health	74,642	56,462	222,322	191,731	266,030
Other	1,306	2,377	4,938	5,437	6,392
Total	301,789	314,645	1,050,189	990,653	1,285,944
Performance obligations met over time (Royalty)					
Pediatrics	-	-	-	-	-
Adult Health	1,969	2,754	7,309	7,051	9,201
Other	213	295	392	1,028	1,361
Total	2,182	3,049	7,701	8,079	10,561
Total	303,971	317,694	1,057,889	998,732	1,296,506

Note 2. Largest shareholders at 30 September 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%	27.91%
2 Fjärde AP-fonden		8,200,182	1,640,036	8,200,182	8.11%	6.10%
3 EQT		4,979,813	995,963	4,979,813	4.92%	3.70%
4 Premier Miton Investors		3,843,040	768,608	3,843,040	3.80%	2.86%
5 Cargill Inc		3,000,000	600,000	3,000,000	2.97%	2.23%
6 TIN Ny Teknik		2,670,000	534,000	2,670,000	2.64%	1.99%
7 Allianz Global Investors		2,635,771	527,154	2,635,771	2.61%	1.96%
8 Handelsbanken Fonder AB		2,345,871	469,174	2,345,871	2.32%	1.74%
9 Montanaro Asset Management		2,035,359	407,072	2,035,359	2.01%	1.51%
10 Tredje AP-fonden		1,770,000	354,000	1,770,000	1.75%	1.32%
Other shareholders		65,478,934	13,095,787	65,478,934	64.73%	48.69%
Total	3,703,340	97,458,970	20,232,462	134,492,370	100%	100%

Q3 2024

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 third quarter of 2024 and BioGaia's best assessment of fair value of the financial liability related to the additional purchase price at 30 September 2024 was therefore adjusted to SEK 50.8 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 4.1 million (2.2) during the nine-month period. The weighted average cost of capital (WACC) amounted to 10.04% (11.65% at 30 September 2023). The main impact for the value adjustment was a change in WACC and the time value.

(Amounts in SEK 000s)	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Opening balance	46,529	33,627	33,627
Value adjustment	4,104	2,167	14,992
Exchange difference	183	1,344	-2,090
Closing balance	50,816	37,138	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 - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Opening balance	28,013	25,793	25,793
Value adjustment	-	-	-
Acquisitions	-	2,220	2,220
Closing balance	28,013	28,013	28,013

Q3 2024

Consolidated key ratios

(Amounts in SEK 000s)	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Net sales	1,057,889	998,732	1,296,506
Growth of net sales	6%	20%	17%
Operating profit, SEK 000s	319,982	362,573	443,103
Adjusted operating profit, SEK 000s	374,233	363,717	444,247
Profit after tax, SEK 000s	269,459	297,993	365,352
Return on equity	15%	15%	18%
Return on capital employed	19%	19%	24%
Capital employed, SEK 000s	1,625,503	1,998,547	2,045,523
Number of shares, thousands	101,162	100,982	100,982
Average number of shares before dilution, thousands ¹⁾	101,072	100,982	100,982
Average number of shares after dilution, thousands ¹⁾	101,081	100,982	100,982
Earnings per share before dilution, SEK ¹⁾	2.67	2.95	3.62
Earnings per share after dilution, SEK ¹⁾	2.67	2.95	3.62
Equity per share, SEK	16.03	19.66	20.11
Equity/assets ratio	85%	86%	87%
Operating margin	30%	36%	34%
Adjusted operating margin	30%	36%	34%
Profit before tax margin	32%	38%	36%
Average number of employees	215	214	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.

Q3 2024

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.

Q3 2024

Key ratio

(Amounts in SEK 000s)	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Return on equity			
Profit attributable to owners of the Parent Company (A)	269,459	297,993	365,352
Equity attributable to owners of the Parent Company	1,619,802	1,985,271	2,030,342
Average equity attributable to owners of the Parent Company (B)	1,825,072	1,978,844	2,001,379
Return on equity (A/B)	15%	15%	18%
Return on capital employed			
Operating profit	319,982	362,573	443,103
Financial income	28,666	20,664	41,532
Profit before net financial items + financial income (A)	348,648	383,237	484,635
Total assets	1,904,921	2,304,253	2,333,190
Interest-free liabilities	-279,418	-305,706	-287,666
Capital employed	1,625,503	1,998,547	2,045,523
Average capital employed (B)	1,835,514	1,991,663	2,015,151
Return on capital employed (A/B)	19%	19%	24%

Key ratio

(Amounts in SEK 000s)	30 Sep 2024	30 Sep 2023	31 Dec 2023
Equity/assets ratio			
Equity (A)	1,619,804	1,985,273	2,030,344
Total assets (B)	1,904,921	2,304,253	2,333,189
Equity/assets ratio (A/B)	85%	86%	87%
Operating margin			
Operating profit (A)	319,982	362,573	443,103
Net sales (B)	1,057,889	998,732	1,296,506
Operating margin (A/B)	30%	36%	34%
Profit before tax margin			
Profit before tax (A)	343,332	380,643	468,834
Net sales (B)	1,057,889	998,732	1,296,506
Profit before tax margin (A/B)	32%	38%	36%
Equity per share			
Equity attributable to owners of the Parent Company (A)	1,619,802	1,985,271	2,030,342
Average number of shares (B)	101,072	100,982	100,982
Equity per share (A/B)	16.03	19.66	20.11

Q3 2024

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

(Amounts in SEK 000s)	Pediatrics		Adult Health		Other		Total	
	Jul - Sep	Jan - Sep	Jul - Sep	Jan - Sep	Jul - Sep	Jan - Sep	Jul - Sep	Jan - Sep
	2024	2024	2024	2024	2024	2024	2024	2024
Description								
A Previous year's net sales according to the average rate	255,805	793,486	59,216	198,782	2,672	6,465	317,694	998,732
B Net sales for the year according to the average rate	225,841	822,929	76,611	229,631	1,519	5,330	303,971	1,057,889
C Recognized change (B-A)	-29,964	29,443	17,395	30,849	-1,153	-1,135	-13,722	59,157
Percentage change (C/A)	-12%	4%	29%	16%	-43%	-18%	-4%	6%
D Net sales for the year according to the previous year's average rate	232,520	829,259	78,862	231,786	1,519	5,332	312,901	1,066,377
E Foreign exchange effects (B-D)	-6,679	-6,330	-2,251	-2,155	0	-1	-8,930	-8,489
Percentage change (E/A)	-3%	-1%	-4%	-1%	0%	0%	-3%	-1%
F Organic change (C-E)	-23,285	35,773	19,646	33,004	-1,153	-1,133	-4,792	67,645
Organic change, % (F/A)	-9%	5%	33%	17%	-43%	-18%	-2%	7%

Average key exchange rates	Jul - Sep 2024	Jul - Sep 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
EUR	11.44	11.77	11.39	11.42	11.48
USD	10.45	10.76	10.48	10.54	10.61
JPY	0.0701	0.0747	0.0694	0.0767	0.0760

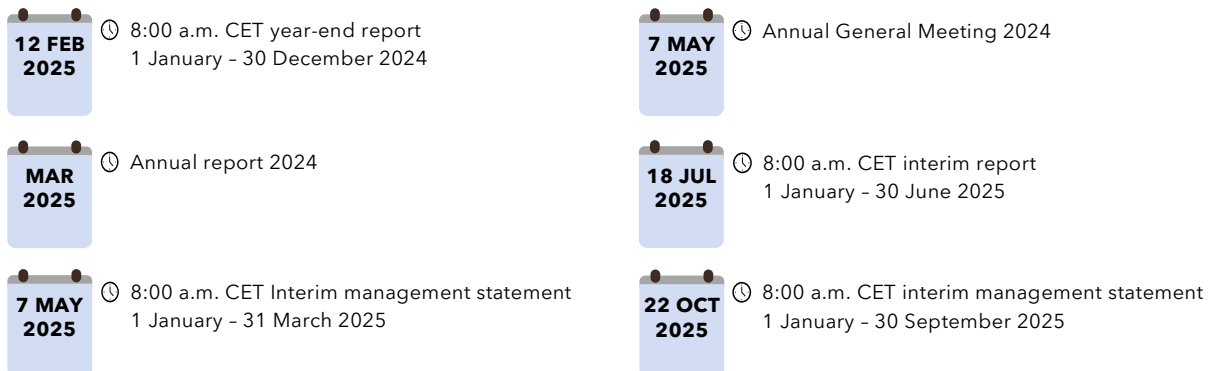
Closing date key exchange rates	30 Sep 2024	30 Sep 2023	31 Dec 2023
EUR	11.30	11.49	11.10
USD	10.09	10.84	10.04
JPY	0.0707	0.0729	0.0710

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

Adjusted operating profit - Group (Amounts in SEK 000s)	Jul - Sep 2024	Jul - Sep 2023	Jan - Sep 2024	Jan - Sep 2023	Jan - Dec 2023
Operating profit	41,422	119,538	319,982	362,573	443,103
Items affecting comparability	51,992	-	54,251	1,144	1,144
Adjusted operating profit	93,414	119,538	374,233	363,717	444,247

Q3 2024

Financial calendar



Stockholm, 22 October 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
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 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

BioGaia AB Box 3242 SE-103 64 STOCKHOLM

Street address: Kungsbrogatan 3, Stockholm

Telephone: +46 8 555 293 00, Corporate identity no. 556380-8723, www.biogaiaigroup.com