



Annual and
Sustainability Report 2024

BioGaia®

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About BioGaia

Who we are

BioGaia is a Swedish world-leading probiotics company that has pioneered microbiome research for 35 years. BioGaia's products, based on *L. reuteri* bacterial strains, are among the most scientifically validated worldwide. Our vision is to be the most trusted probiotics brand in the world.

The group has 225 employees working in research and development, as well as production, marketing and sales. We operate in three geographic markets: EMEA (Europe, Middle East and Africa), Americas (the US, Canada and South America) and APAC (Asia-Pacific, Australia and New Zealand). We meet market demands by maintaining an effective and diversified product supply chain.

What we do

We develop, manufacture, market and sell probiotic products for gut, oral and immune health. Our products are distributed through our own subsidiaries or partners which are pharmaceutical and nutrition companies in more than 100 countries.

When BioGaia was founded in 1990, our probiotic products were mainly distributed through partners under their brands. In 2006, we launched our own brand, BioGaia. A key aspect of our branding strategy is to expand the proportion of products sold under the BioGaia brand. Over 90 percent of our products are now sold under our own brand or as co-branding.

Why we do it

Our probiotic products with clinically proven efficacy contribute to better health and well-being worldwide. We invest an average of about 11 percent of our net sales in research and development. We do so to deepen our understanding of probiotics and the human microbiome, to discover new bacterial strains for existing and new indications, and to develop our future product portfolio.

Through a global research network, we collaborate with some of the world's leading experts in probiotics. We strive to develop groundbreaking solutions that make a real difference in people's lives.

Years of research
and innovation

> 35

Granted patents

> 600

Clinical studies with
BioGaia's bacteria strains

> 270

Number of countries where
BioGaia sells products

> 100

Percent of products sold
under BioGaia brand
including co-branding

> 92

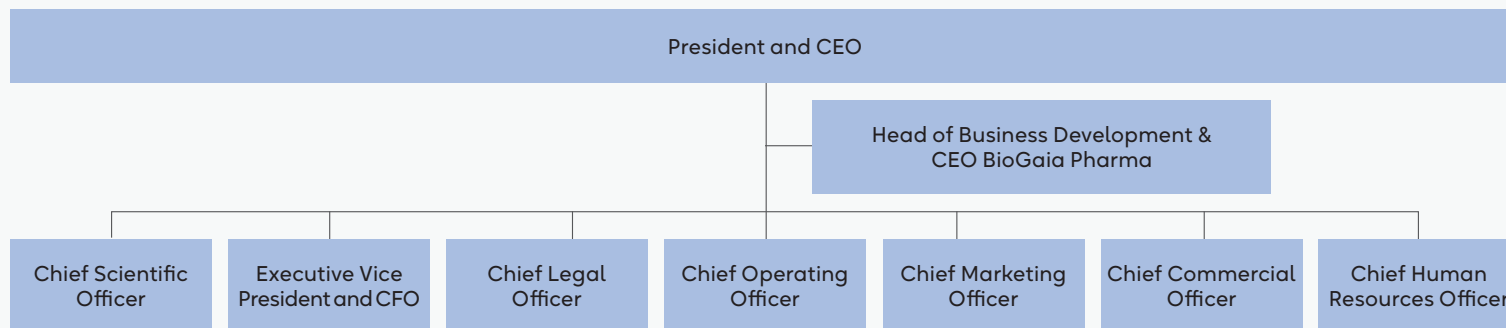
Percent of sales
through own subsidiaries

> 30

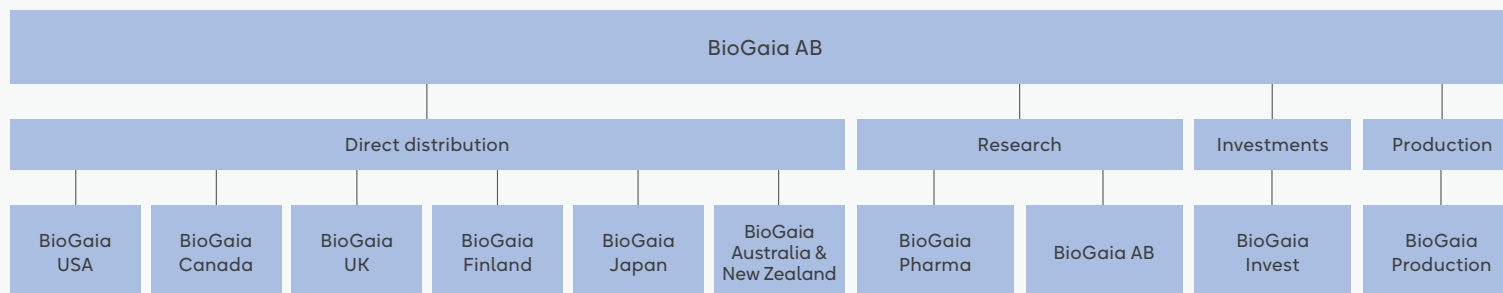


Organization and group

Organization



Group



Note: BioGaia Sweden as a direct market is part of BioGaia AB

Key corporate events during the year

First quarter 2024

No key events took place during the quarter.

Second quarter 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.

Third quarter 2024

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

Fourth quarter 2024

On November 4, BioGaia announced that Anatom Holding AG, a Switzerland-based investment firm, has acquired 4,979,813 class B shares in BioGaia AB following the exit of EQT Public Value fund.

On December 5, BioGaia announced the launch of BioGaia Gastrus PURE ACTION, a clean ingredient, double-strength, FODMAP-friendly probiotic designed to support individuals with sensitive stomachs.

After Q4 until the publication of the 2024 Annual Report (March 26, 2025):

On January 16, BioGaia announced that it terminated the distribution contract with its partner in France to take the business direct.

On February 4, BioGaia announced that the results for the fourth quarter would exceed market expectation.

On March 20, BioGaia announced that the investment firm Anatom becomes the new anchor shareholder.

Q1

JANUARY FEBRUARY MARCH

Q2

APRIL MAY JUNE

Q3

JULY AUGUST SEPTEMBER

Q4

OCTOBER NOVEMBER DECEMBER

Key sustainability events during the year

MSCI AA rating

BioGaia is recognized as a sustainability leader with an AA rating from MSCI, which assesses companies' resilience to long-term ESG risks.

100% certified paper packaging

All paper used in BioGaia's secondary packaging, transport packaging, and package leaflets is certified as sourced from responsibly managed forests.

Bio-based containers

From 2025, the containers¹ purchased for BioGaia Production will contain plastic certified according to ISCC's mass balance system, based on 100 percent bio-based raw material.

Supplier sustainability assessments

Key first-tier suppliers have been assessed for sustainability performance, for example through SMETA (Sedex Members Ethical Trade Audit) or EcoVadis sustainability assessments.

HACCP certification

BioGaia has obtained Hazard Analysis Critical Control Points (HACCP) certification, underscoring our commitment to food safety and quality management.

Science-Based Climate Targets

For the third consecutive year, BioGaia has met its science-based climate target for Scope 1 and 2 emissions by purchasing 100 percent non-fossil-based electricity.

Climate Transformation Fund

Continued contributions to the Climate Transformation Fund, financed by an internal carbon fee, with a focus on effective climate initiatives.

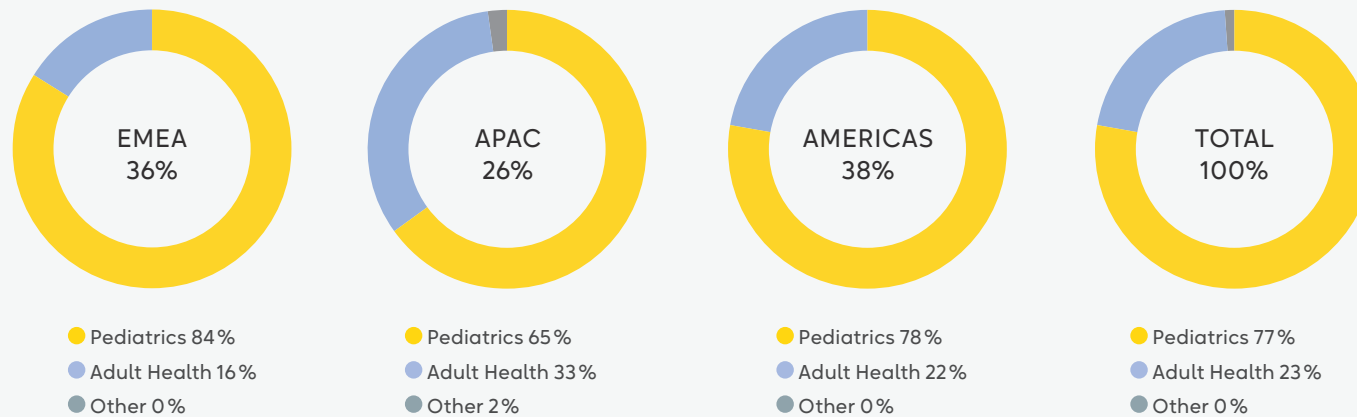
Updated double materiality analysis

In 2024, BioGaia updated its double materiality analysis, first conducted in 2022, to ensure the continued relevance of impacts, risks, and opportunities. This work has further anchored the strategy and strengthened its alignment with business value and long-term sustainability.

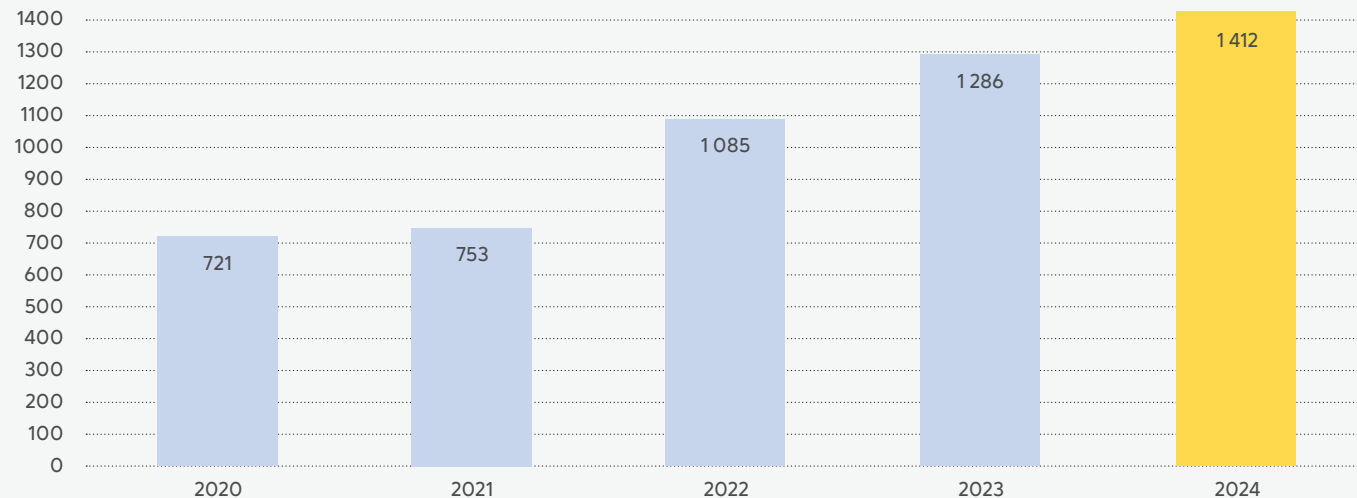
1) Container and lid excl. sticker and desiccant.
The transition will take effect from March 24, 2025.

Financial metrics 2024

Sales by market and segment



Annual product sales for the past 5 years (SEK million)



Highlights





Staying the course with confidence in an uncertain world

2024 posed global challenges for many companies, but BioGaia has remained stable and demonstrated resilience in a turbulent environment. By prioritizing innovation, strategic expansion and building trust in our brand, we have made significant progress. By embracing challenges with flexibility and transforming them into opportunities, we remain committed to delivering lasting value for our customers, partners, and shareholders.

Peter Rothschild – Chairman of the Board

Our flexibility makes us well-equipped

Throughout the year, BioGaia navigated a challenging global landscape defined by complexity and uncertainty. Ongoing conflicts in Ukraine and the Middle East cause both human suffering and economic instability. At the same time, high interest rates and inflation continue to affect consumer purchasing power in several of our key markets. In addition, there is uncertainty regarding potential trade tariffs that could be imposed by the US and other countries. Such tariffs could disrupt global supply chains and drive up costs for raw materials, ingredients and exports. For BioGaia, these developments could pose challenges to competitiveness and pricing, but our flexibility positions us strongly to adjust our supply chains and diversify production and export markets as needed.

Opportunities in a changing world

Global birth rates are declining, driven by economic factors and changing lifestyle choices. Despite the challenges, we see opportunities to grow by increasing our market penetration, launching premium products and expanding into the rapidly growing adult segment. With the right strategies, we can solidify our presence in existing markets while expanding into new ones, driving long-term value creation.

Strategic global growth

A key highlight of the year has been the successful launch of our direct markets in Australia and New Zealand. Completed in record time, this launch has already delivered promising results. We recognize great potential in advancing our direct distribution model, as it strengthens our flexibility in launching products and



ensuring availability. Our distribution partners remain critical to our global success and we deeply value their extensive experience, expertise and dedication.

Strengthened partnerships and legal successes

Following a previous dispute regarding termination and a sales ban with our former distributor in Italy, a significant milestone was achieved this year when we won the subsequent arbitration proceeding in early July. This enabled a long-term direct agreement with our former sub-distributor Recordati – a global pharmaceutical company, listed on the Italian stock exchange, and already a trusted partner of ours in Spain and Portugal.

New owners with long-term vision

During the year, we welcomed Anatom Holding as a new principal shareholder, after the EQT Public Value Fund sold its shares. Anatom Holding is a family business that shares our vision for long-term growth and is strongly dedicated to our business. Their support strengthens our ability to further develop our strategy and achieve our ambitious goals.

Driving progress through research and innovation

BioGaia is a research-driven company, and innovation is at the heart of our business. During the year, we conducted several studies in areas such as gut health, oral health,

metabolism and autism. The metabolism study with a focus on prediabetes fell short of our expectations, but such outcomes are an inherent aspect of the research process. Nonetheless, the study has provided us with important insights in the field, particularly in our unique platform for oxygen-sensitive strains and advanced fermentation technology. Our long-term goal is to explore the potential of these strains across a range of health applications. While we do not plan to commercialize these products in the immediate future, we remain committed to investing resources to advance our knowledge of oxygen-sensitive and anaerobic bacterial strains. We also see opportunities to leverage our fermentation facility to experiment with and optimize the production of various strains, thereby strengthening our research capacity and future potential.

At the same time, we continue our flagship project – the next generation colic product with ongoing studies. We are confident that the healthcare profession will continue to recommend our products and brand, which is strongly associated with clinical research and high industry standards.

“Together we stand firm, even in an uncertain world, and we look forward to continuing to create value for our shareholders, partners and customers.”

Solid foundation for the future

With our strong brand presence, the trust we have earned among healthcare professionals, and our commitment to innovation and growth, we are well-positioned for the future. We continue to build on our 35-year history of scientifically based products while striving to expand our offering into new health areas and customer segments.

Leadership and confidence in the future

In closing, I want to express my strong confidence in our CEO, Theresa, who has fully met the Board's high expectations. Her deep expertise, wide-reaching network, strategic mindset, and dedication to innovation and market growth are crucial for leading BioGaia into the future.



Peter Rothschild
Founder and Chairman of the Board

A photograph of three people sitting around a table in a modern office setting. On the left, a woman with dark hair, wearing a white top and a pearl necklace, is smiling and looking towards the center. In the middle, a man with a beard, wearing a light blue shirt, is looking towards the right. On the right, the back of a woman with long blonde hair is visible. On the table, there is a glass of water, a small box of BioGaia, and a small brown teddy bear figurine holding a branch with green leaves. The background shows a large window with a view of a city.

Innovative initiatives drive growth

2024 has been a year of exciting achievements for BioGaia. We have successfully navigated a dynamic business environment, maintaining solid growth despite challenges. Our continued focus on expanding our direct distribution, enhancing our new product development process, and deepening consumer engagement has paid off, and we're proud of the innovations we've brought to life this year. From launching a new consumer-centric product to exploring groundbreaking health areas to improving our digital content, we've laid the foundation for a promising future. Looking ahead, we are energized to keep pushing the boundaries of science and innovation, driving our mission to provide the world with probiotics that have clinically proven positive effects on health and well-being.

Theresa Agnew
President and CEO

Strong overall performance this year

BioGaia maintained solid growth during the year. Our sales amounted to approximately 1.4 SEK billion, an increase of 10 percent compared with the preceding year. Adjusted to foreign exchange effects, the increase was 11 percent. This demonstrates our strength in the category. Over the course of the year, we also began investments in both expanding direct distribution in some markets and in increasing brand awareness and healthcare professional recommendations through marketing and commercial activities.

Our pediatric and adult health segments continue to deliver results, with the latter growing by over 17 percent and our pediatrics business growing by 8 percent. The success of products like Protectis, Prodentis, and Gastrus highlight our ability to address diverse consumer needs effectively. Meanwhile, our product Aldermis, a skin health probiotic product for dry and sensitive skin in infants and children, demonstrates our readiness to explore new health areas, such as skin health, while maintaining a firm focus on our core in gut health, immune health, and oral health.

Success across markets and additional direct markets

This year, we achieved strong growth in key regions, with Asia Pacific and the Americas at the forefront. While we had some challenges in EMEA, that region grew by three percent. Our direct markets were a highlight – including the UK, US, Canada, Japan, Finland, and the newly added markets for 2024, Australia and New Zealand – which delivered strong results. These results underscore the success of our strategic focus on direct distribution.

The success of products like Protectis, Prodentis, and Gastrus highlight our ability to address diverse consumer needs effectively.



"Our distribution partners are critical to our success and we look forward to continuing our strong partnerships."



Our success is continuing in our direct markets as we have dialed up our focus on consumer-centricity and understanding of healthcare professional needs as we go to market. We are integrating this into our marketing and selling activities as well as our newly defined innovation process. We worked diligently to develop new marketing claims and digital content from these insights to be used by our direct markets and partners around the world in their marketing and commercial activities.

In the US, our medical and consumer marketing strategies have proven highly effective, resulting in another record-breaking year of sales on Amazon and greater recognition among healthcare professionals. In Canada, we continue to grow on Amazon through combined medical marketing efforts. In the UK, we have expanded our distribution by launching sales through Boots, while also seeing continued growth on Amazon. These initiatives have significantly boosted brand awareness. In Australia, where we established direct distribution in an impressively short time, we have had a fantastic start, quickly securing presence at major pharmacies and retailers, including Chemist Warehouse.

Our partners in China are excelling with an omnichannel approach, ensuring our products are accessible at key consumer touchpoints, particularly through digital marketing and online sales. Our partner in South Korea has done an excellent job with digital consumer marketing. Their campaigns on social media and online platforms during the launch of our new product packaging design led to increased sales and greater brand awareness.

Our distribution partners are critical to our success and we look forward to continuing our strong partnerships in over 100 countries to drive our sustained long term growth. The expertise and commercial strength of our pharmaceutical and healthcare company partners is instrumental, and we will continue to leverage the best practices of our partners around the world. Successful markets share three key characteristics: they excel in omnichannel retailing, engage both consumers and healthcare professionals, and introduce products that resonate with consumer needs.

Enhanced innovation processes

During the year, we have enhanced our innovation processes to enable faster time-to-market while integrating consumer insights and unmet consumer needs more effectively into our product development. We have sharpened our approach to resource allocation and market prioritization to better address the specific needs of our markets. For example, we introduced the "Top 10 +10 markets" framework: the first 10 represent our key markets where we concentrate the majority of our efforts, while the +10 are smaller but important markets for growth potential – both receive more attention and concentration of resources due to their importance than other global markets. With aligned goals and a stronger emphasis on cross-functional collaboration, we are working more effectively toward achieving our objectives. Our latest product launch, BioGaia Gastrus PURE ACTION, exemplifies our enhanced innovation process. Through seamless cross-functional collaboration, our research and scientific teams worked closely with sales and marketing to create a consumer-friendly, science-based product, shaped by valuable insights from consumers and healthcare professionals and feedback from our distribution partners as well as direct markets. This also highlights how we place both consumers and healthcare professionals at the heart of our business and product development initiatives.

Strategic focus

In 2024, our company strategy centered around three key strategic pillars: Grow the Core, Expansion Through Direct Markets, and Breakthrough Innovation. With supporting foundations for the company being People & Culture, Invest for Profitable Growth, Digital as Enabler, Driven by Science, and Sustainable Solutions. This approach is designed to drive sustainable growth by reinforcing our core business, expanding direct businesses in strategically advantageous markets, and investing in emerging



10+10

We introduced the "Top 10 +10 markets" framework: the first 10 represent our key markets where we concentrate the majority of our efforts, while the +10 are smaller but important markets for growth potential

opportunities within the areas of biotics. With this focused strategy, we are building a solid foundation for long-term success.

Grow the core

We continue to focus on developing and strengthening research, on marketing and commercial excellence, and in product development within our core health areas: gut health, immune health, and oral health. To help consumers and healthcare professionals navigate the broad and often confusing probiotic category, we highlight our clinically backed probiotics as a key differentiator in the market. Our probiotics have been extensively

researched in clinical studies in over 23,000 patients. It is our priority to invest in clinical research for our existing and new products in order to provide a positive health benefit with a proven clinical effect.

To further strengthen our brand, we have launched new claims for both our pediatric and adult products and new content in our digital channels for consumers and healthcare professionals. Additionally, we launched BioGaia Gastrus PURE ACTION, a FODMAP Friendly probiotic designed for individuals with sensitive stomachs, reinforcing our focus on gut health. We will be rolling this out to more markets this year to continue to drive growth in our Adult business.

Continuing our expansion through direct markets

By the end of 2024, we expanded to a total of eight direct markets: the UK, US, Canada, Japan, Finland, Sweden, and the newly launched markets of Australia and New Zealand. Our direct market distribution has proven highly successful, offering greater flexibility in marketing and commercial approaches as well as product launches. We established our own distribution in Australia and New Zealand. Despite being operational for only half a year, it has already shown significant success. Our Protectis drops are available in well-known pharmacies and grocery stores, and doctors and midwives are welcoming our products based on their proven efficacy and safety. For more details on the developments in our direct markets, please see page 46.

Focusing on breakthrough innovation

We are continuously exploring new bacterial strains from our extensive bacteria bank to address both new and existing health indications. Among these are “next-generation probiotics,” our term for bacterial strains with advanced properties. From healthy human microbiome samples, we have identified strains capable of producing neurotransmitters and directly influencing the gut-microbiome-brain axis. We are now characterizing these unique features before proceeding to clinical evaluation.

Another promising area for our future is skin health. Since launching our probiotic product, Aldermis, we have observed remarkable real-world evidence from consumers in North America sharing stories and before-and-after photos for their babies and children. We will continue to launch this new product in other markets this year and skin health will remain a focus for further exploration.

Looking ahead with growth and innovation

2024 has been a year of growth and transformation for BioGaia, where we have continued to evolve, innovate, and provide value to our stakeholders amidst an ever-changing landscape. We have delivered strong results across multiple areas, reinforcing the power of our strategy and the dedication and passion of our teams worldwide.

Together, we are building on our successes and staying steadfast in our commitment to innovation and high-quality, clinically proven probiotics.

Looking to the future, our focus remains on developing cutting-edge products, expanding and growing our global business, and deepening our relationships with customers and partners. With our skilled teams and clear strategic direction, I am confident that BioGaia will continue to thrive, improving health outcomes for millions of people globally.

“Finally, I want to extend a heartfelt thank you to all our colleagues for their dedication and hard work throughout the year. Your commitment has been key to our success, and I look forward to achieving even more together in the year ahead.”



Theresa Agnew
President and CEO of BioGaia



Investment in our shares

Investing in BioGaia means becoming a shareholder in a company with a strong and well-established position in a rapidly growing market. Since 1990, BioGaia has been a global pioneer in probiotics, creating value for consumers, partners and shareholders.

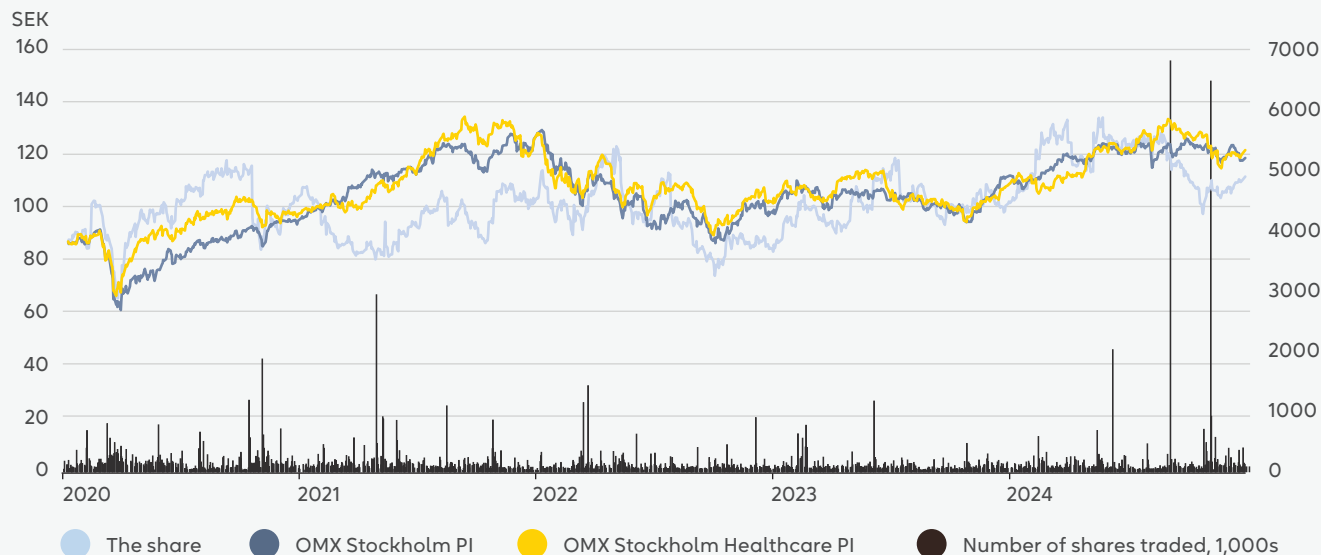
Our focus is on conducting research into new and existing bacterial strains, developing innovative probiotic products tailored to market needs and boosting sales. Since our initial public offering in 1998, we have continuously strived to run a business that combines growth with stable profitability.

Our long-term financial target is to achieve an operating margin (operating profit in relation to sales) of at least 34 percent, while maintaining strong growth. In addition to the current dividend policy of 50 percent of the Group's profit after tax and after adjustments for non-recurring items, BioGaia intends to pay extra dividends of 50-100 percent of the Group's profit after tax and after adjustments for non-recurring items in the coming years, provided that future cash flows align with BioGaia's forecasts.

The main factors that make BioGaia an attractive investment opportunity are summarized below.

Investment in our shares

BioGaia's share price development



Expanding industry

The global market for probiotic supplements is expected to grow by 3–5 percent annually, depending on market estimates, through 2029, driven by an increased focus on health and preventive care.¹

Leading market position

BioGaia is a world leader in probiotic products for children with colic. We strengthen our position by continuously developing and renewing our product range. This strategy involves expanding into new health segments, improving product formulations, and ensuring sustainable production.

Profitable growth

In 2024, BioGaia's revenue grew by 10 percent, and our average operating margin has been 32 percent over the last five years. This performance has been achieved despite global economic uncertainty, geopolitical tensions and high inflation. We continue to prioritize profitable

growth by meeting consumer demands and ensuring cost efficiency.

Strong brand

BioGaia has evolved from a B2B company to a leading consumer brand in probiotics. Our brand is associated with high quality, reliability and proven science, fostering loyalty among distribution partners, healthcare professionals, and consumers across our markets.

Innovative products

By investing around 11 percent of our net sales in research and development, we strengthen our competitive advantage. Our focus on innovation has enabled the launch of several groundbreaking products, such as the world's first probiotic drops and chewable tablets.

Sustainable solutions

BioGaia aims to be a leader in sustainability, which has resulted in multiple awards and certifications. For example,

in 2024 we received HACCP certification for food safety, and all of our paper-based packaging materials are currently sourced from certified sustainable forestry. By prioritizing healthy products, sustainable practices, and a reduced environmental footprint, we generate value for the planet as well as the long-term growth of the company.

Efficient business

A significant portion of our production is managed in-house in Eslöv, ensuring an efficient and profitable manufacturing and delivery process. We continuously work to optimize our production, product range and supply chains through Lean methods and increased automation.

With a combination of market leadership, innovation and sustainability, BioGaia is well positioned to continue to deliver value to shareholders and other stakeholders.

¹) Euromonitor, September 2024.

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 health 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 partnership with nutrition and pharmaceutical companies, as well as through our own subsidiaries.

Vision

To be the most trusted probiotic brand in the world.

Mission

To provide the world with probiotics that have clinically proven positive effects on health and well-being.

Positioning

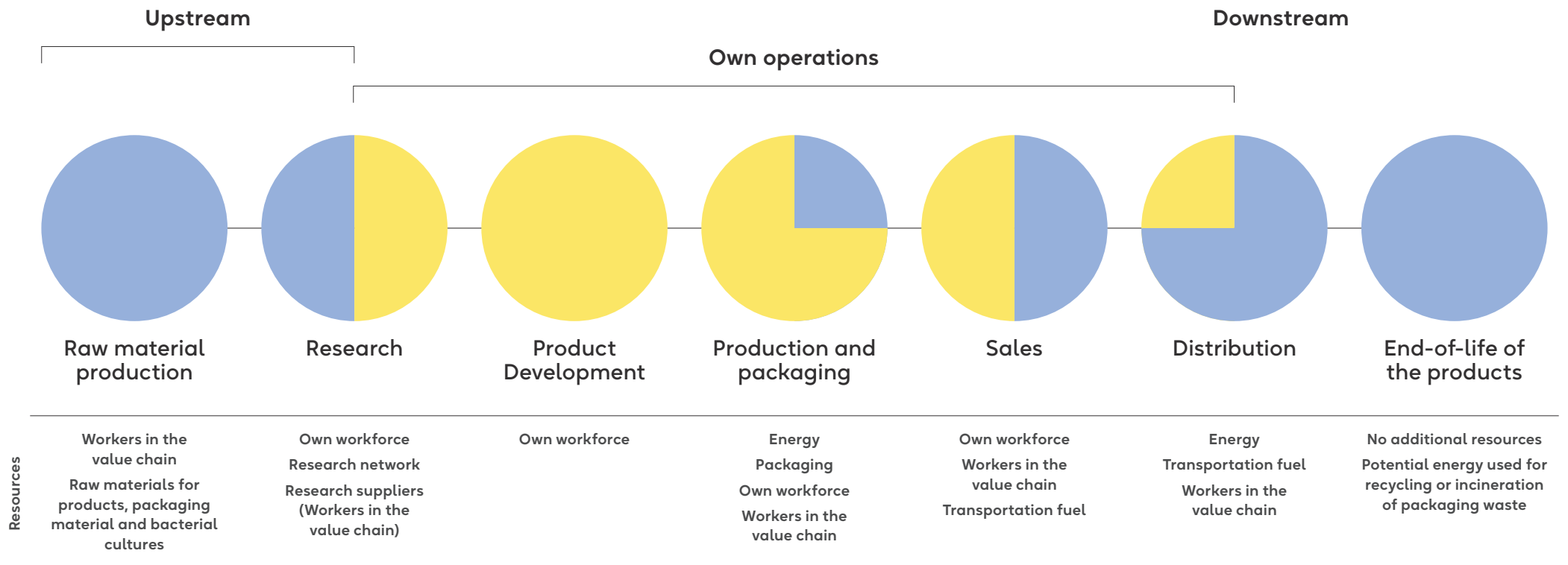
Food supplements with clinically-tested, high-quality probiotics that are sold through pharmacies and via online retail platforms.



Value chain

BioGaia's value chain encompasses both upstream and downstream activities, spanning from raw material suppliers to end consumers. It provides a comprehensive view of the key efforts and resources essential to the business, highlighting the processes that ensure quality and sustainability throughout the entire chain.

● Majority of work performed internally
 ● Majority of work performed externally





Raw material production

Raw materials for products, packaging material, and bacterial cultures come from external suppliers. Through the choice of supplier, requirements specification, and follow-up, BioGaia can affect the environmental impact, quality, and working conditions of the suppliers we choose to work with. These impacts are, in turn, dependent on the suppliers' manufacturing processes and the sub-suppliers they collaborate with in the supply chain.



Research

Research at BioGaia is conducted both independently and in collaboration with a large external research network. This includes developing and improving methods for producing probiotic cultures, conducting preclinical and clinical research, and strategically identifying new bacterial strains for future probiotics. The way research is conducted affects everything from the product's health benefits and quality to the experience of the end consumer. Consumer insights guide the development of both existing and new probiotic products.



Product Development

BioGaia's product development focuses on analyzing and identifying new product formulas as well as creating new delivery formats and packaging solutions. Market surveys provide consumer insights, leading to the development of more consumer-friendly probiotic products. The choice of ingredients in product formulas impacts both human and environmental health, while delivery formats and packaging solutions influence environmental impact, usability, and product quality.



Production and packaging

Production and packaging of BioGaia's probiotic products are handled by both external suppliers and its subsidiary, BioGaia Production. In the supply chain, BioGaia manages logistics, quality assurance, and production control. The company has a significant impact on product quality at this stage of the value chain. Environmental impact arises from waste generation, raw material use, and energy consumption. BioGaia has substantial control when production occurs at BioGaia Production but less influence when working with external suppliers.




Sales

Sales are carried out by BioGaia's distribution partners and subsidiaries, which are supported by BioGaia through sales and marketing activities and regulatory advice. In this part of the value chain, it is important that sales and marketing to consumers are responsible and accurate, in line with BioGaia's overall strategy. Business trips take place worldwide with the aim of growing sales. This travel fosters cooperation and understanding but also has an environmental impact, which the company works to minimize as appropriate.



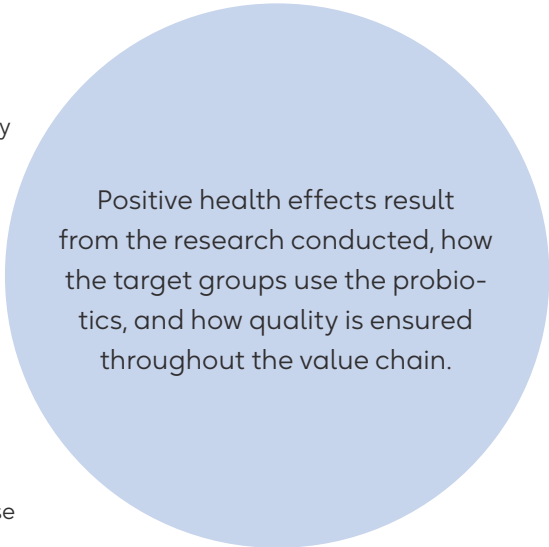
Distribution

Distribution of finished products is carried out globally through partners and subsidiaries. The choice of transportation has an environmental impact. BioGaia has greater opportunities to influence transportation methods when distribution is managed by subsidiaries rather than by distribution partners.



End-of-life of the products

End-of-life handling of products primarily involves packaging disposal, which depends on how the end-consumer handles the packaging after use. The negative environmental impact can be reduced by providing consumers with information about how packaging can be recycled. At this stage, the environmental impact of ingredients in BioGaia products is non-existent or minor. Positive health effects result from the strains that are chosen, the research conducted to prove the effect, how the target groups use the probiotics, and how quality is ensured throughout the value chain.



Positive health effects result from the research conducted, how the target groups use the probiotics, and how quality is ensured throughout the value chain.



Global trends

In a world shaped by climate challenges and global health concerns, people are increasingly focusing on personal health and making informed, responsible choices. This has supported steady growth in the probiotics market, driven by rising awareness of their role in supporting gut, oral, and immune health, as well as growing interest in emerging applications like skincare.

Preventive health remains a central focus, as individuals seek solutions to maintain well-being and address future health risks. Antibiotic resistance, identified as one of the greatest health threats of our time, continues to escalate due to the misuse of antibiotics, which disrupt both harmful and beneficial bacteria.

At the same time, conscious consumers are prioritizing products that align with their values, including sustainability and ethical practices. They increasingly seek products with reduced climate impact, such as those using biobased or recyclable materials, and value clear, transparent communication about product content and environmental considerations.

BioGaia's probiotic solutions are grounded in scientific research and a commitment to sustainable practices, aiming to meet the needs of health-conscious consumers and contribute to global health and well-being.



The conscious consumer

Today, a growing number of consumers recognize the profound impact their choices have on both personal health and the health of the planet. Conscious consumers are not just passive shoppers, they are actively driven by a sense of responsibility¹, prioritizing not only the health benefits of a product but also its environmental footprint.²

Conscious consumers consider various sustainable aspects when choosing a product, with sustainable packaging being a prime example³. They prefer brands that minimize plastic waste by using biobased and biodegradable materials, recycled plastics, or reusable containers to support the circular economy. Additionally, minimalist packaging designs not only reduce environ-

mental impact but also appeal to a consumer base eager to minimize waste in their daily lives.⁴

The growing demand for sustainable and ethical products is a key driver of BioGaia's business and long-term strategy, ensuring that health and sustainability remain at the heart of business development. This approach aligns with the values of the conscious consumer, benefiting both individual well-being and the future of the planet. Efforts include improving sustainability throughout the value chain - using sustainable raw materials, environmentally friendly production methods and recyclable packaging where possible. Clear and transparent communication about product content, research and environmental impact empowers consumers to make informed, responsible choices.

Preventive health


More people worldwide are making health and wellness a key part of their daily lives. A crucial component of this movement is preventive health, which focuses on taking proactive measures to avert potential health issues. This shift has led to a rising demand for products that enhance immune function and overall well-being.⁵

Oral health is an important part of well-being and preventive health. According to some studies, probiotics may help prevent halitosis, maintain a healthy balance of the oral bacterial flora, and prevent the growth of dangerous bacteria that cause tooth decay and gum disease.⁶ A Swedish study published a few years ago showed that the risk of suffering a heart attack was almost 30 percent higher in patients with periodontitis (gum disease) compared to those without this disease.⁷

BioGaia is actively evolving its research and product offerings to align with the growing interest in preventive solutions. By developing products that support immune health and encourage a healthy lifestyle, we are positioning ourselves to meet the global demand.

BioGaia Prodentis oral probiotic drops and lozenges are the #1 clinically studied probiotic in dentistry⁸ that help restore the ecological balance in the mouth which promotes healthy teeth and gums.





Get over occasional
gut issues.
Get on with life.

Nam out out officio laud doluptia se sin reum
fugit, omnis et reliqui tempererum volorum
easum fuga. Aquapediti conset ut et la sit
dolupta non in sum re velent anist quib nist



BioGaia
Supporting your invisible heroes



Gut health

The goal for a healthy lifestyle has contributed to increased growth in the probiotics industry, as awareness of the role of gut health in overall well-being has stimulated demand for probiotic products. This trend is evident across a range of products, including dietary supplements and dairy products.⁹

In recent years, the understanding of gut health has evolved significantly, linking it not only to physical health but also to mental well-being.¹⁰ Consumers now associate gut health with mental health, cognition, immune function and bowel health, and see it as central to a healthy lifestyle.¹¹ This increased awareness has driven demand for a range of probiotic products, including dietary supplements and over-the-counter solutions. According to a recent survey, a significant proportion of people would like to see more products on the market to support their gut health.¹² The global probiotics market is expected to follow this trend, with forecasts indicating growth of 3-5 percent by 2029, depending on the market estimate.

As gut health continues to be equated with overall well-being, it is reshaping consumer behavior and driving innovation. Driven by the growing demand, BioGaia is actively working to improve global health and well-being by harnessing the potential of probiotics. In 2024, BioGaia launched a new product, BioGaia Gastrus PURE ACTION, for sensitive stomachs and digestive support, within the area of gut health. Read more about the product on page 29.



Probiotic skin care

Natural and organic ingredients have recently become a major trend in the skincare industry as consumers increasingly prioritize health and environmental choices. Natural and organic ingredients are perceived as safer and gentler on the skin than synthetic alternatives, reducing the risk of irritation and allergic reactions. The shift towards natural and organic skincare reflects a wider demand for transparency and sustainability, with consumers seeking products that are in line with ethical and environmentally friendly practices.¹³

A key driver is increasing consumer awareness of the skin's microbiome and its role in maintaining skin health. As scientific research continues to uncover the intricate relationship between the microbiome and various skin conditions,

consumers are becoming increasingly interested in probiotic topical products as a means of restoring and balancing the skin's microbial ecosystem.¹⁴

In 2023, BioGaia launched Aldermis, a dermatologically tested, multi-purpose skin ointment designed for infants and children. Aldermis contains BioGaia's patented bacteria strain *L. reuteri* DSM 17938. It moisturizes and restores balance to sensitive skin and can be used all over the body, including the cheeks, chin, or bottom. The ointment is chemical-free and, in addition to the bacteria strain, contains only plant-based oils.

Probiotic skin health is an exciting and emerging field, and we are committed to continuing our exploration in this area to bring innovative solutions to the market.



Antibiotic resistance

Antibiotic resistance has become one of the greatest health threats of our time, according to the first in-depth analysis of the global health impact of antimicrobial resistance (AMR) published in *The Lancet*.¹⁵ According to this study, annual deaths in which a drug-resistant infection plays a role but is not the direct cause (AMR-associated deaths) could rise to 8.22 million globally by 2050—a 75 percent increase from 2021. In total, between 2025 and 2050, it is estimated that AMR will lead directly to more than 39 million deaths and be associated with a broader 169 million deaths.

Antibiotics remain an essential tool in modern medicine, but their use also comes with challenges. When bacterial infections are treated with antibiotics, these drugs eliminate both harmful bacteria causing illness and beneficial bacteria that support our health. This highlights the growing need to focus on preventive measures to maintain global health.

Clinical studies reveal that probiotics not only reduce the need for antibiotic treatments but also help restore gut flora during antibiotic use, mitigating adverse side effects. Furthermore, research indicates that preventive probiotic use can lead to fewer sick days and reduced absenteeism from daycare, school, and work, offering significant societal and economic advantages.

In 2024, BioGaia expanded the launch of Pharax kids with vitamin D into additional markets, emphasizing its role in supporting immune health.

In 2024, we also continued our efforts to combat antibiotic resistance through the PAR Foundation. Read more about the foundation on page 55.

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Product portfolio



A product portfolio that promotes the health of the whole family through all stages of life

BioGaia is a global leader in probiotics, with products available in over 100 countries worldwide. For 35 years, our research into good bacteria and their health benefits has been the foundation of our business. All of our products are based on extensive preclinical and clinical studies of the bacterial strains we use.

To date, BioGaia has conducted and published approximately 270 clinical studies, positioning us as one of the leading players in probiotics. We offer scientifically proven and clinically tested products that promote health and resilience, from birth and throughout life.

To develop products that meet consumers' needs, it is essential to understand their expectations. We therefore value insights from market analyses and consumer trends, which help us to create products that meet their demands and contribute to better health.

BioGaia's product range

BioGaia's product range includes products targeting gut, oral and immune health for both children and adults. We also offer a skin health product for children and a bone health product for adults, as well as various country-specific products. Our products come in a variety of forms, such as drops, chewable tablets, lozenges, capsules and powders, making them easy to use in everyday life.

Our best-selling product, Protectis drops, contains the bacterial strain *L. reuteri* DSM 17938 which is recommended for the treatment of colic according to six international guidelines for doctors. The drops relieve stomach pain in infants, reduce crying time and improve quality of life for both the babies and their families.

Our ambition is to strengthen our position in children's health by continuing to develop products that promote health from infancy to adolescence. In adult health, we aim to further strengthen our market position and brand.

BioGaia has a unique position in oral health and is a global leader in clinical studies on conditions such as gingivitis and periodontal disease. Our oral health products are designed for both children and adults. In addition to gut, oral and immune health, we are also exploring the potential of probiotics in new areas, such as metabolism and skin care.

CHILDREN

GUT HEALTH



Protectis ORS / Protectis MINIPACK / Protectis BABY /
Protectis BABY Vitamin D / Protectis KIDS / Protectis KIDS Vitamin D

IMMUNE HEALTH



Protectis KIDS Immune Active /
Pharax KIDS / Protectis BABY Immune Active

ORAL HEALTH



Prodentis KIDS

ADULT



Gastrus / Gastrus PURE ACTION / Protectis / Protectis Vitamin D



Protectis Immune Active



Prodentis

Conditions

Colic, constipation, irritable bowel syndrome (IBS), acute diarrhea, antibiotic-associated side effects such as diarrhea, treatment of *H. pylori* infection.

Upper respiratory tract infections, immunomodulation, and infection protection.

Gingivitis and periodontal disease.

Note: Products within bone health and skin health, country specific products and all various product formats and flavors are not included in the product grid.



Product launch 2024

At the end of 2024, we launched BioGaia® Gastrus® PURE ACTION – a double strength clean label swallowable capsule with a FODMAP-friendly formulation, designed for people with sensitive stomachs. This latest addition to BioGaia's product portfolio offers a specialized and evidence-based solution for improved digestive health and quality of life.

BioGaia® Gastrus® PURE ACTION contains the patented probiotic strains *L. reuteri* DSM 17938 and *L. reuteri* ATCC PTA 6475, which have been carefully selected for their clinically proven effect on good gastrointestinal health. The product is intended for people with occasional stomach problems. It is suitable for a vegan diet, free from sweeteners, lactose, and gluten, and certified as FODMAP-friendly.

Statistics show that many consumers discover probiotics and BioGaia when seeking relief for gut discomfort, which is why we believe this product will meet a significant need and further strengthen our position as a trusted leader in probiotics. The product was successfully launched in Finland at the end of 2024 and is planned to be introduced in additional markets moving forward.

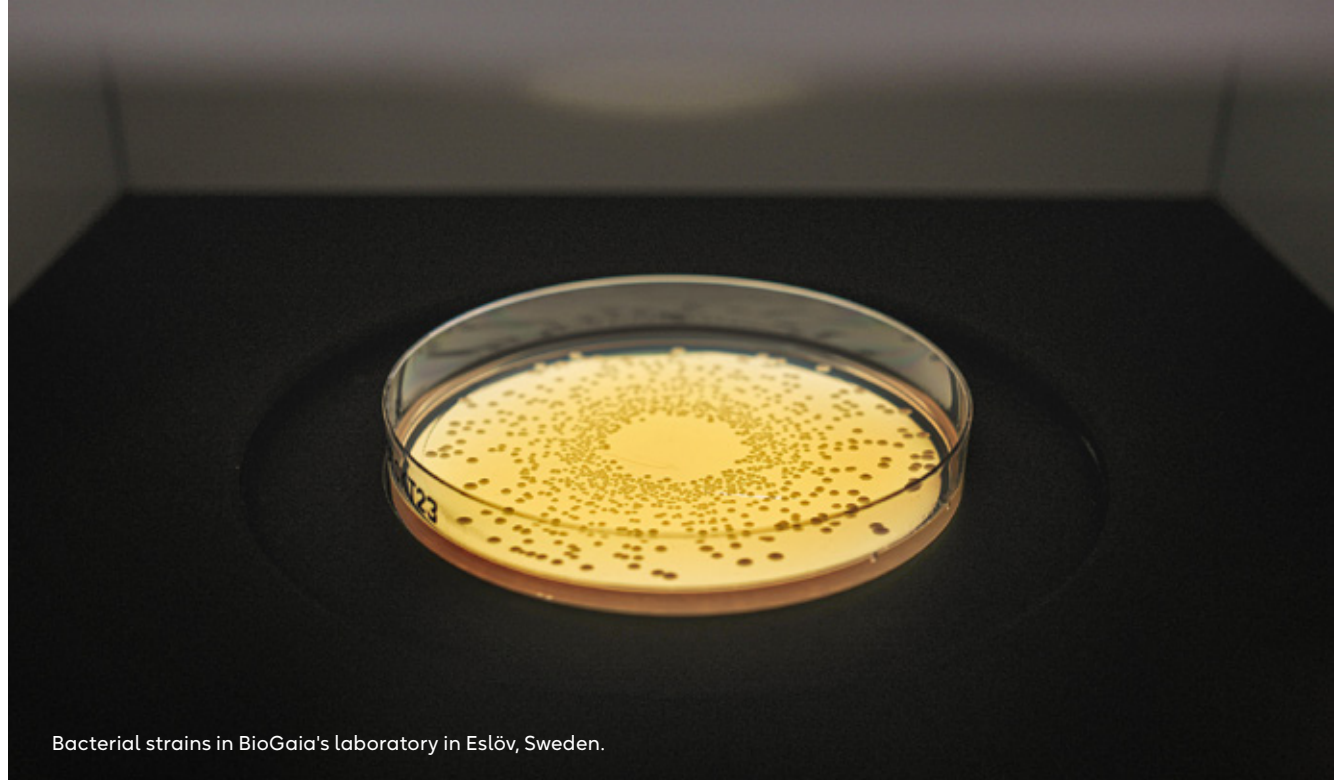




What are probiotics?

Microorganisms can be found all around us – on plants, in the soil, the air, the oceans, and on or within our bodies. Most human microorganisms are found in the gut. For more than three decades, research on microorganisms, especially lactobacilli, has been at the core of BioGaia. Probiotics, beneficial microorganisms introduced to support gut microbiota, derive their name from the Greek word meaning “for life.”

According to the World Health Organization (WHO), probiotics are defined as “live microorganisms that, when administered in adequate amounts, confer a health benefit on the host.” This means that probiotic bacteria should be alive and have a beneficial impact on health. To understand how probiotics work, it is important to recognize the balance between “good” and “bad” bacteria in the body. An imbalance in the microbiota can be caused by factors such as stress, poor diet, infections and antibiotic use, which can lead to harmful bacteria gaining the upper hand and causing infection or inflammation. Adding probiotics can help restore the balance. For more information on the criteria applicable to probiotics, see our sustainability report on page 100.



Bacterial strains in BioGaia's laboratory in Eslöv, Sweden.

Strategic and balanced product pipeline

BioGaia's product pipeline is under continuous development, with a strategy based on four key pillars

- **Innovation:** We strive to continually improve our products, both by developing current and new bacterial strains based on rigorous scientific studies, and by offering products in various formats to meet consumer needs.
- **Demand analysis:** Through market research and close collaboration with our partners and experts, we identify consumer and healthcare professional needs and evaluate how our probiotic supplements can meet them.
- **Commercial potential:** All product development is carefully evaluated to ensure that it aligns with our overarching strategy and offers significant business potential.
- **Distribution:** Our omnichannel strategy ensures that all relevant distribution channels are considered when developing new products.

Bacteria originally from humans

Bacteria are present everywhere – in the air, on the soil, and especially on and within all living organisms. At BioGaia, we focus exclusively on developing probiotic products using bacteria of human origin. A patented bacterial strain in our product Protectis was originally isolated from breast milk and has been shown to have a positive effect in the treatment of colic in infants. Another bacterial strain found in our probiotic product Prodentis was originally isolated from a woman's saliva and has been shown to be effective in the treatment of gingivitis (inflammation of the gums) and periodontitis (loosening of the teeth). In our research, we conduct microbiological experiments to ensure that our bacterial strains are both safe and effective. Our bacterial strains are stored at -80°C in a bacterial bank, and then used in freeze-dried form in our products. Upon contact with saliva and warmer temperatures, the bacteria become active and begin to provide their probiotic effect.



Product quality, safety and sustainability

Much of our research focuses on gaining a better understanding of microorganisms while conducting clinical studies to examine the effects of our products on conditions such as colic and gingivitis. An equally critical aspect of product development is ensuring high quality, safety and shelf life. BioGaia always guarantees the quality of its products until the best-before date.

Our *L. reuteri* strains are among the most studied in the world, with approximately 270 clinical studies conducted and published as of December 2024. The studies have included over 23,000 individuals, the majority of whom have been children.

"Good" or "bad" bacteria

Historically, bacteria have been viewed as either "good" or "bad." Research has long focused on the "harmful" bacteria, known as pathogens, and only recently has it been recognized that certain bacteria are actually beneficial to humans. This insight coincided with changes in our living conditions. By adding probiotic bacteria, we can counteract the negative effects of an overly sterile environment and restore the balance of the gut microbiota, which is often affected by our modern lifestyle.

What we know about the gut microbiota

Most of the bacteria in our bodies are found in the gut and make up the gut microbiota. Studies show that changes in the bacterial composition of the gut may be linked to many chronic diseases. Although we have made progress in research, much remains to be discovered. Research from BioGaia and our broad research network continuously advances understanding of the gut microbiota and its impact on health.

Over 600 patents

BioGaia has more than 600 granted patents for various strains. *L. reuteri* DSM 17938 is the most studied.

The background of the slide is a close-up, blue-tinted photograph of a microscope. The objective lens is in sharp focus, pointing down at a slide. The slide has a label that reads "NA 1.25". To the right of the microscope, there is a diagram consisting of three overlapping circles. The top-left circle is labeled "Grow the core", the top-right circle is labeled "Expansion through direct markets", and the bottom circle is labeled "Breakthrough innovation".

Grow the core

Expansion
through direct
markets

Breakthrough
innovation

Strategic framework

People & culture
Invest for profitable growth
Digital as an enabler
Driven by science
Sustainable solutions

BioGaia's strategic framework

In 2024, BioGaia refined its strategic framework to enhance internal and external alignment, drive sustainable long-term growth, and create value for all stakeholders and shareholders.

The company's strategy revolves around three core pillars: **Grow the core**, **Expansion through direct markets**, and **Breakthrough innovation**.

These pillars are supported by foundational enablers that underpin its success: **People and culture**, **Invest for profitable growth**, **Digital as an enabler**, **Driven by science**, and **Sustainable solutions**.

This framework enables us to allocate resources effectively, seize opportunities, and prioritize for long-term success.

Three strategic pillars

● Grow the core

BioGaia's core is our strong product portfolio in gut, immune, and oral health. By increasing focus on marketing and commercial excellence, introducing innovative new products and line extensions, and leveraging an omnichannel approach, we aim to strengthen our leadership in these areas. We are dedicated to building brand awareness and positioning BioGaia as the preferred choice for consumers. Strengthening our connections with healthcare professionals and consumers further reinforces trust in BioGaia as a science-driven brand.

● Expansion through direct markets

Building on the success of establishing direct markets where we sell directly to consumers instead of through distribution partners, we have expanded to more than a handful of direct markets over the years and continue to grow our operations in strategically important locations. This model provides greater flexibility in product launches, tailored marketing, and enhanced insights into consumer behavior and healthcare professional recommendations, positioning us to better meet evolving market demands.

● Breakthrough innovation

Innovation within biotic research remains central to BioGaia's strategy. We are investing in new areas of microbiome research to develop products addressing additional health indications beyond our core product portfolio. By exploring novel bacterial strains and leveraging advanced technologies, we aim to further establish BioGaia as a pioneer in biotic innovation.

Foundational enablers:

● People & Culture

Cultivating a diverse, passionate, and collaborative workforce to drive creativity, resilience, and shared success.

● Invest for profitable growth

Allocating resources efficiently to maximize returns and drive expansion.

● Digital as an enabler

We are increasing digital capabilities to build on our successful omnichannel approach, streamline internal operations, and improve customer engagement.

● Driven by science

Upholding BioGaia's legacy of evidence-based products through robust clinical research and published clinical studies.

● Sustainable solutions

Integrating sustainability across all facets of operations, from sourcing and product development to customer delivery, with a commitment to environmental stewardship, social responsibility through fair labor practices and employee well-being, and strong governance to ensure responsible research and product quality.

Grow the Core

Focus on what we do best

During the year, we have taken significant steps to grow our core business by strengthening research, deepening consumer understanding, and advancing product development within our core health areas: gut health, immune health, and oral health. This year, we strengthened our bifocal marketing strategy, which leverages both medical marketing and consumer marketing. By employing these complementary approaches, we effectively convey the scientific benefits of our products while simultaneously enhancing brand awareness and building trust with healthcare professionals and consumers alike.





Research within our core areas

As part of our ongoing commitment to strengthen and expand our core business, we continue to advance our research and clinical studies in gut health, immune health, and oral health. Notably, our work on irritable bowel syndrome (IBS) has shown significant progress. This year we published two clinical studies demonstrating that Gastrus, a combination of two *L. reuteri* strains, can effectively improve IBS symptoms. One study conducted in Mexico and Chile with 140 participants confirmed a clear improvement in IBS scores and anxiety levels after six weeks of treatment. The second study, conducted in Sweden with 75 participants with IBS-D, showed that Gastrus reduced inflammation, a key symptom of the condition. IBS is a prevalent disorder, affecting over 10 percent of the global population, and addressing its symptoms is crucial for improving quality of life.

Additionally, we have published a new study on our oral health product, BioGaia Prodentis, which continues to lead as the most studied oral probiotic in the world. This study, conducted in South Korea, validated Prodentis' effectiveness in reducing periodontal pathogens, further reinforcing its proven benefits in oral health.

Another significant development is the identification of a new patented strain of *Bifidobacterium longum*, BG-L47, as a powerful partner for *L. reuteri* DSM 17938. This strain has been shown to offer both stand-alone benefits and synergistic effects when paired with *L. reuteri* DSM 17938. This combination is currently being tested in a C-section study. Ongoing clinical efforts are contributing to our mission to offer scientifically backed products that meet critical health needs, thereby strengthening BioGaia's



Gianfranco Grompone

position in key therapeutic areas and driving growth within our core health offerings.

The development of our new gut health product for colic is progressing as planned, with clinical studies underway.

Our work on irritable bowel syndrome (IBS) has shown significant progress. This year we published two clinical studies demonstrating that Gastrus, a combination of two *L. reuteri* strains, can effectively improve IBS symptoms.

Gianfranco Grompone - Chief Scientific Officer



Innovative product development for the conscious consumer

To further support growth within our core, we have reorganized parts of the marketing department to better align with innovation and product development processes, consumer insights implementations, product launches, and both our consumer and medical marketing initiatives. These changes are already yielding results, including shorter time-to-market, a deeper understanding of consumer needs, more systematic and effective product launches, and a continued focus on consumer insights into our innovation processes.

One standout example is the launch of BioGaia Gastrus PURE ACTION, a gut health product tailored for individuals with sensitive digestive systems. Developed based on consumer insights, the product was brought to market in record time. Certified FODMAP Friendly, the vegan capsules are free from sweeteners, lactose, and gluten, providing a clean, effective probiotic solution. The product has generated strong interest from both our direct markets and distribution partners, who are eager to roll it out more broadly. Read more about Gastrus PURE ACTION on page 29.

In 2024, we launched Nurture & Grow in the USA. This probiotic is designed to support children's digestive, immune, and oral health with triple benefits. It features the powerful bacteria strains *L. reuteri* DSM 17938 and *L. reuteri* ATCC PTA 5289, along with sunflower oil for added support. Nurture & Grow is allergen-free and comes in a convenient drops format for easy consumption.

During the year, we increased our focus on sustainability by integrating sustainable solutions across all facets of operations, from sourcing and product development to delivery. This approach reflects our commitment to environmental stewardship, social responsibility through fair labor practices and employee well-being, and strong governance to ensure responsible research and product quality, aligning innovation with conscious consumer values. Read more about this in the sustainability report.



Building a unified brand

In 2024, we continued the global rollout of BioGaia's refreshed product design, first introduced in 2023. This design, featuring a uniform symbol, our iconic logo, and distinctive signature colors, is being gradually implemented across all markets and product lines. The rollout represents an important step toward creating a cohesive and recognizable brand presence worldwide.

Beyond product design, we intensified efforts to unify the BioGaia brand across digital platforms, educational content, and marketing materials. This holistic approach reinforces our identity as a trusted leader in probiotics, ensuring that consumers associate BioGaia with reliability and innovation, regardless of where or how they engage with our brand. We also introduced new product claims for both our pediatric and adult products which will harmonize how we communicate the advantages of our

brand globally. These initiatives underscore our commitment to building a strong, globally unified brand that continues to resonate with consumers and healthcare professionals alike.

Meaningful consumer touchpoints across channels

We continually enhance our omnichannel strategy, adding meaningful consumer touchpoints to ensure visibility and relevance wherever consumers engage with our brand. By gaining deeper insights into consumer behavior, we aim to deliver a smoother and more personalized customer experience. Building on these insights, we have introduced key initiatives such as expanding our subscription service, introducing product samples, and optimizing our digital platforms.



Sebastian Heimfors

Our continued focus on selling through marketplaces like Amazon has significantly strengthened our online presence, while our own e-commerce enables a closer relationship with our customers.

Sebastian Heimfors – Chief Commercial Officer

Although offline sales remain our primary channel, digital transformation is essential to staying aligned with evolving consumer behaviors. In 2024, our strategic focus on adult health drove considerable growth in online brand searches, further validating the success of this approach.

Building trust and collaboration with healthcare professionals

We have continued to strengthen our relationships with key opinion leaders and healthcare professionals through active participation in medical congresses and other engagements. These interactions provide valuable insights into scientific advancements, market trends, and competitor activities, while also enabling us to support and motivate our regional partners. Our focus has been on conditions within our core areas as well as exploring new opportunities, such as functional abdominal pain.

Functional abdominal pain, also referred to as intractable abdominal pain, is a persistent chronic stomach pain that does not respond to standard therapeutic treatments. It may be constant or intermittent and often occurs with symptoms like diarrhea, constipation, or both. Approximately 10–15 percent of school-age children experience this condition at some point, and it is frequently associated with irritable bowel syndrome (IBS). This condition aligns closely with our core areas of expertise and presents a significant unmet need, making it an intriguing area of focus for us. For children with Functional abdominal pain disorders (FAPD), the leading guidelines from both the World Gastroenterology Organization (WGO)¹ and European Society for Paediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN)² recommend *L. reuteri* DSM 17938 for the management of the condition. These guidelines state that *L. reuteri* DSM 17938³ can help reduce pain intensity in children with FAPD.

We have strategically participated in key medical conferences to raise awareness of our research, products, and brand. These events include Probiotics, Prebiotics, Postbiotics in Pediatrics (PPPP), the European Society for Paediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN), United European Gastroenterology (UEG), World Congress of Pediatric Gastroenterology, Hepatology



We have strategically participated in key medical conferences to raise awareness of our research, products, and brand.

Linda Hägglund – Chief Marketing Officer

and Nutrition (WCSPGHAN), and European Pediatric Association (EPA/UNEPSA).

As part of our increased focus on educating healthcare professionals, we have developed a learning platform. The site includes information about probiotics focusing on our core health areas. This platform will serve as a key communication channel to reach professionals going forward.

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Linda Hägglund



High standards and sustainable product supply

In 2024, within the product supply area, we made significant progress in quality, reliability, and sustainability. Our HACCP-certified processes continued to uphold high food safety standards, while our service performance, measured by On Time In Full (OTIF), improved, demonstrating our commitment to reliable and timely deliveries for our partners.

To enhance supply chain security, we introduced dual-source blister packing by adding a second production site, further strengthening production reliability. Additionally, all paper-based packaging materials are now certified from responsibly managed forests or made from verified recycled materials, underscoring our commitment to sustainability and responsible sourcing. These advancements reflect our dedication to excellence in product supply and reinforce our focus on meeting the expectations of partners and consumers alike. Read more about our value chain on page 19 and sustainable packaging on page 78.

These advancements reflect our dedication to excellence in product supply and reinforce our focus on meeting the expectations of partners and consumers alike.

Ludvig Milesson – Chief Operating Officer



Ludvig Milesson



Distribution model

BioGaia's distribution model, which combines direct distribution through subsidiaries and distribution via partners, offers numerous benefits and allows us to adapt to evolving market dynamics. Historically, our sales were managed solely through distribution partners. However, with the rise of digitalization and the need to engage consumers across multiple touchpoints, we recognized the importance of adding a more flexible and consumer-centric direct market distribution strategy.

Expansion through direct markets

Own distribution in key markets

In recent years, we have successfully implemented direct distribution in key markets, providing us with full operational control and a stronger market presence. By the end of 2024, we expanded our direct market presence to eight markets with Australia and New Zealand joining our existing markets: the USA, Canada, the UK, Japan, Finland, and Sweden. This expansion was driven by a strategic assessment of market maturity and the growing demand in the probiotics sector. In certain markets, we acquired our local partners; in others, we opted to conclude partnerships and establish our own distribution channels. In some cases, we built BioGaia operations entirely from the ground up.

Our direct distribution model has proven highly successful, offering greater flexibility in product launches and positioning, sales strategies, and customer engagement.

Sebastian Heimfors – Chief Commercial Officer

Regardless of the approach for the establishment, our direct distribution model has proven highly successful, offering greater flexibility in product launches and positioning, sales strategies, and customer engagement. This level of control has allowed us to tailor our marketing efforts more effectively, implement more sustainable solutions, and respond quickly to consumer needs, ensuring consistent and relevant BioGaia experience across all markets.

Our conclusion is that successful markets share three key characteristics: they excel in omnichannel retailing, engage both consumers and healthcare professionals and introduce products that resonate with consumer needs.



Two new direct markets added in 2024

With each new establishment, we have gained valuable insights that have accelerated our ability to launch in new regions. The launch of BioGaia in Australia and New Zealand in 2024 was executed with remarkable efficiency. As a result, we are now prominently represented in key pharmacies, online marketplaces, and distribution channels across Australia. This rapid market entry was further supported by active participation in several local congresses and exhibitions, where we had the opportunity to engage with healthcare professionals. This strategic

outreach has allowed us to establish trust and build strong relationships with doctors and nurses, who have shown great interest in our products. Read more about the developments in Australia and New Zealand on page 53.

Our ability to scale operations efficiently and establish a strong foothold in these markets demonstrates the strength of our distribution strategy and its ongoing success.

Breakthrough innovation

In 2024, BioGaia continued to push the boundaries of scientific research, achieving significant advancements in breakthrough innovation. Our commitment to developing disruptive scientific innovations is focused on creating new market opportunities and transforming the health landscape. As is natural in the research process, some studies yielded positive results, while others did not, reflecting the dynamic, exploratory nature of our work. These outcomes play an essential role in our journey as we persist in driving progress and expanding our understanding of human health.

One notable focus this year was exploring the complex relationship between the gut microbiome and various health conditions, with promising results emerging from several clinical studies.





Gianfranco Grompone

Next-generation probiotics

In previous annual reports, we have highlighted BioGaia's focus on developing next-generation probiotics, including non-classic strains with advanced properties. One such project aimed to create a probiotic product for individuals with metabolic syndrome. In 2023, we achieved a significant breakthrough in collaboration with the University of Gothenburg by overcoming the oxygen sensitivity of the strain *F. prausnitzii* DSM 32186, which was originally highly sensitive to oxygen. This achievement led to the development of patented strains (*F. prausnitzii* DSM 32379 and *D. piger* DSM 32187) and a novel method for combating oxygen sensitivity.

While the study on blood sugar control in individuals with

prediabetes, which began in 2021, showed no significant difference in blood glucose modulation between the probiotic and placebo groups, it provided valuable insights that will guide our ongoing research, especially because the product demonstrated a significant improvement on the triglycerides and glucose ratio for the participants.

The study report is still being finalized, and the manuscript will include detailed microbiome analysis results. The outcome of the study resulted in a goodwill write-down, organizational restructuring (including workforce reductions), and a reassessment of our areas of focus for next-generation probiotics.

Gut-brain health

In another groundbreaking area of research, our work in the gut-brain axis took a significant leap forward with our autism spectrum disorder (ASD) study. Published in the highly respected journal *Cell Host & Microbe*, the study revealed significant improvements in social behavior and communication in children with ASD after six months of daily supplementation with BioGaia's Gastrus, a combination of *L. reuteri* DSM 17938 and *L. reuteri* ATCC PTA 6475. The study, conducted in Italy with a cohort of 43 autistic children, provides compelling evidence that our probiotics can play a role in addressing behavioral challenges associated with ASD. This innovative research opens new possibilities for the role of probiotics in mental health and cognitive function.

This innovative research opens new possibilities for the role of probiotics in mental health and cognitive function.

Gianfranco Grompone – Chief Scientific Officer



The gut-brain axis...

...is the bidirectional communication system between the gut and the brain, linking digestion to mood, cognition, and behavior through the nervous, immune, and hormonal systems.



Metabolic health

Our research into metabolic health achieved another milestone this year with the publication of a study examining the effects of *L. reuteri* ATCC PTA 6475 on triglyceride levels. While the study did not show an improvement in testosterone levels in aged males, it revealed a significant reduction in triglycerides in serum, opening new possibilities for utilizing this probiotic strain in the context of metabolic disorders and cardiovascular health. These findings highlight exciting opportunities for future research and product development.

Skin health

In 2023, BioGaia ventured into the field of skin health with the launch of Aldermis for infants and children, our first probiotic topical product designed specifically to support skin health. Aldermis is based on the well-researched



bacteria strain, *L. reuteri* DSM 17938, a probiotic known for its beneficial effects. By promoting a balanced skin microbiome, Aldermis helps improve the skin's natural barrier and overall integrity, making it particularly effective for conditions like eczema, dry skin, and general skin irritation. Early consumer feedback has been overwhelmingly positive, with significant improvements noted in before-and-after photos from testimonials in the US and Canada, where the product is currently available.

The launch of Aldermis marks a significant milestone for BioGaia in the rapidly growing field of biotics for skin health.

Gianfranco Grompone – Chief Scientific Officer

We have already observed promising results and are committed to expanding our presence in this space.

In addition, BioGaia supported a Swedish skin health company, Skinome, to further explore the potential of our probiotic strains in skin care. This collaboration led to the development of a new skin product, launched by Skinome, featuring one of our *L. reuteri* strain, which has earned several awards for its innovative approach to skincare.

We have only scratched the surface of microbiome research

As we continue to advance our understanding of the microbiome's role in health, we remain committed to leveraging the power of science and innovation to drive improvements in people's lives globally. Our ongoing research reflects BioGaia's dedication to breakthrough innovation and our ambition to explore uncharted areas of human health.

Over the years, studies of BioGaia's probiotic bacteria were conducted in the areas of:

- 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 disorder
- Urinary tract infections
- Inflammation, such as diverticulitis

Our probiotic strains are subjects of interest to the international scientific community, healthcare professionals and basic scientists who frequently contact us to perform research on our strains. Over the years, we have built an extensive global research network and initiated partnerships with universities, hospitals and scientific institutions worldwide.

Over time, BioGaia has conducted research studies together with a number of universities and hospitals worldwide. The following is a selection:

- Swedish University of Agricultural Sciences, Uppsala, Sweden
- University of Gothenburg, Sweden
- University of Linköping, Sweden
- University of Stockholm, Sweden
- Örebro University, Sweden
- Texas Children's Hospital, USA
- University Chieti, Italy
- Baylor College of Medicine, Houston, USA
- National University of Singapore
- University of Leuven, Belgium

We have also established connections with doctoral students, master's students, and international interns.



BioGaia increases the number of direct markets

For more than 35 years, BioGaia has successfully built a global presence in more than 100 countries over. We have established both direct distribution and long-term collaborations with distribution partners. This strategy has contributed to establishing BioGaia's brand as a strong player in the health and healthcare sector.

With the addition of Australia and New Zealand in 2024, BioGaia expanded its direct market presence to eight markets in total: the USA, Canada, the UK, Sweden, Finland, Japan, Australia, and New Zealand.

2024 was a successful year for BioGaia. Highlights included strong growth in the USA through online sales on Amazon, as well as expanded distribution of Protectis drops with vitamin D at Target, a major retail chain in the US. In Finland,

BioGaia solidified its leadership as the number one product in the pediatric probiotics segment and is the fastest-growing brand in pharmacies according to IQVIA. In Canada, the rebranding of vitamin D products drove strong sales. Additionally, BioGaia successfully launched in Australia and New Zealand, solidifying our brand presence in the Asia-Pacific region.



USA

In 2024, BioGaia USA achieved key milestones across our product lines, driving significant growth and brand presence in major retail and online channels. Among the highlights was expanding the distribution of BioGaia Protectis drops with vitamin D at Target, marking a double-digit increase. The Prodentis range also gained traction, securing a new distribution agreement with CVS Pharmacies for 2025 and solidifying our position in the oral health market.

Throughout the year, BioGaia USA sustained record sales on Amazon, driven by strong consumer demand. Building on its e-commerce success, BioGaia expanded distribution through Walmart's online platform, achieving promising early results. In physical retail, BioGaia BABY Drops with vitamin D expanded their footprint at Target from 1,099 stores to 1,883 stores—a 71 percent increase that significantly enhanced product visibility and consumer accessibility.

The Prodentis range secured new distribution with CVS Pharmacies, the world's second-largest pharmacy chain, with a scheduled launch in the first quarter of 2025. Prodentis also earned the 2024 Cellerant Best of Class Hygiene Award. This achievement, alongside over 240 key opinion leader presentations within the dental hygiene community, further positioned Prodentis as a leading choice among dental professionals.

In the adult portfolio, BioGaia experienced substantial growth despite a tough competitive landscape, driven in part by increased demand for the Gastrus line. Meanwhile, in the pediatrics segment, BioGaia introduced Nurture & Grow Toddler Drops, strategically positioned to bridge the gap between the BioGaia Protectis BABY drops and the BioGaia KIDS products and thereby retain customers as their children transition from infancy to toddlerhood.



Jennifer Cherry – Managing Director USA

This new product surpassed initial market expectations, reinforcing BioGaia's pediatric portfolio.

Looking ahead to 2025, BioGaia USA will continue our focus on pediatric and oral health, aiming to drive penetration of Protectis BABY drops and retain Protectis BABY customers through the Nurture & Grow Toddler Drops, while continuing to drive pediatrician recommendations. The focus will also include new indications for IBS, which affects up to 35 percent of U.S. adolescents. Moving forward, BioGaia will continue to expand our network of recommending dental professionals and is planning a consumer marketing campaign to increase brand awareness and promote oral health products in the US.



Canada



Darryl Mallette – Managing Director Canada

In 2024, BioGaia Canada sustained its strong growth momentum. This included an accelerated focus on Prodentis through extensive professional and consumer outreach, the launch of Aldermis for infant skin care, and a rebranding of vitamin D products for immune health and gut health. Increased consumer marketing and event participation broadened BioGaia's reach across Canada.

This year, BioGaia was recognized as the most recommended over-the-counter pediatric probiotic brand in Canada by physicians and pharmacists, according to the leading business insights firm EnsembleIQ. Additionally, Canadian parents ranked BioGaia as the most trusted baby probiotic in a national survey of over 1,300 parents, conducted by Life with a Baby and Movies For Mommies.

Prodentis played a central role in BioGaia Canada's success in 2024. Our clinical educators, all Registered Dental Hygienists, conducted hundreds of virtual training sessions

for dental offices nationwide. This, combined with attendance at dental conferences, led to an impressive demand from dental clinics for educational resources and product samples. To meet this demand, we created Prodentis Starter Kit for clinics, which includes Prodentis samples, patient education brochures and clinician information material. Eight sponsored speaker events further broadened our reach, drawing thousands of dental professionals.

The rebranding of our immune health and gut health packaging was well-received. The updated packaging clearly distinguishes products with vitamin D from those without, reinforcing its recognized immune support benefits. Vitamin D Protectis BABY drops and chewable tablets have emerged as leading growth drivers.

Our focus on consumer events also advanced brand visibility. Aldermis launched initially on Amazon and later debuted to a large audience at The Toronto Baby Show. Aldermis,

designed to relieve common skin issues like dryness and sensitivity, quickly attracted interest among parents seeking hypoallergenic options for their infants.

Participation in ten medical and consumer trade events facilitated direct engagement with thousands of healthcare professionals, consumers, and industry stakeholders. Building on this foundation, BioGaia Canada is well-positioned for continued growth, with plans for new product launches, expanded investments in Prodentis and Aldermis, and enhanced French-language resources for Quebec. In addition, we will continue to expand our reach through participation in trade shows, congresses, and conferences.



UK

In 2024, BioGaia further consolidated its position in the UK and Ireland through strategic retail partnerships, professional engagement, and key product recognitions. Highlights included expanded distribution, new product launches, and increased brand visibility through events, awards, and professional outreach.

During the year, BioGaia UK's reach expanded significantly. Protectis BABY Drops launched in January across 600 Boots stores, doubling distribution to 1,200 by August due to strong demand. BioGaia also strengthened our presence in over 1,600 independent pharmacies across the UK, alongside Amazon and direct-to-consumer channels, where we experienced steady growth and increased consumer engagement.

Professional engagement remained a priority, with the launch of an education module on oral health in May, aligned with the introduction of Prodentis and complementing the Colic module launched in 2023. After completing the module,

88 percent of healthcare professionals reported they would recommend BioGaia's products. Additionally, a series of webinars for dental professionals deepened our connections within the healthcare sector.

BioGaia UK participated in major professional and consumer events this year, including The Primary Care Show, The Royal College of Midwives Conference, The Pharmacy Show, The Dentistry Show, and The London Infant Allergy Conference. Exhibiting at four events at The Baby Show series across the country, BioGaia reached over 100,000 expectant parents, further enhancing brand awareness. We also partnered with a marketing agency at two celebrity events, ran influencer campaigns, used targeted digital advertising, and advertising on Boots' digital platforms to expand BioGaia's reach in the UK.

BioGaia's products received several awards in 2024, including gold awards at The Absolutely Mama Awards, The Mum Market



Steven Hicks – Managing Director UK & Ireland

Place Awards, Project Baby, and Junior Design Magazine, as well as a silver award at The Dadsnet Awards. Moreover, BioGaia was shortlisted for Supplier of the Year by Boots, a significant recognition in our first year of trading with them.

BioGaia also achieved substantial growth in Ireland through a local partner, gaining new listings in two retail chains and expanding distribution in Boots stores, following BioGaia's success in the UK. With a strong distribution network in place, BioGaia is positioned for continued growth in 2025 in the UK and Ireland, with plans for new product launches to strengthen the brand's market presence.



Ingrid Messerer – Sales Manager Northern Europe

In 2024, BioGaia Sweden focused on strengthening partnerships with retailers and growing our presence across leading pharmacies and online platforms, ensuring consumers have convenient access to our products through their preferred shopping channels. With sales through online-only pharmacies, we remained dedicated to making BioGaia products widely available to meet consumer needs.

Throughout the year, we reinforced our partnerships with leading Swedish retailers, including pharmacies, online pharmacies, and health food stores. These collaborations were instrumental in improving BioGaia's presence across physical and digital channels. Q4 marked the strongest quarter of the year, reflecting the positive impact of these efforts and our ability to meet consumer demand effectively.



Sweden

In addition to strengthening our market presence, we updated the packaging for Prodentis Mint, transitioning from blister packs to containers. This change was well received and aligned with our focus on improving customer experience. Our current product portfolio continues to address gut, oral, and immune health needs. Gastrus chewable tablets have shown strong growth throughout the year, and we plan to strengthen our gut health portfolio with a new product launch in the coming year.

Marketing investments focused on trade activities, with digital campaigns and outdoor advertising executed in collaboration with online pharmacies. These efforts strengthened our market position while ensuring efficient use of resources. Despite shifting market conditions, we

successfully adapted our operations by maintaining a steady forecast, focusing on key product groups to sustain growth, and streamlining our sales operations, which included closing our Swedish DTC platform to optimize our sales strategy.

Looking ahead, BioGaia Sweden is preparing for an exciting 2025, which will feature new product launches, including line extensions and entirely new offerings. Strengthening partnerships with retailers will remain a priority, as we strive to make BioGaia the first choice for probiotics among Swedish consumers. Our commitment to innovation and collaboration will drive growth and ensure that BioGaia continues to deliver scientifically backed probiotic solutions for all life stages.



In 2024, BioGaia strengthened its position in the Finnish market, achieving double-digit growth, increased profitability, and a leading 52 percent market share in the pharmacy probiotic pediatrics segment. In the adult probiotics segment, BioGaia gained market share by addressing rising health needs like IBS, supported by targeted consumer marketing, expanded pharmacy campaigns, and increased visibility. According to IQVIA, BioGaia is the fastest-growing probiotic brand in Finnish pharmacies, a message emphasized in our communication.

BioGaia Finland maintained our leadership in probiotic baby drops, capturing a 52 percent pharmacy market share. In the adult probiotics market, BioGaia's share increased through targeted marketing, emphasizing the value of probiotics in managing IBS – a growing concern in Finland. In October, BioGaia launched BioGaia Gastrus PURE ACTION Capsules, meeting demand for FODMAP diet-compatible options.

BioGaia Gastrus PURE ACTION is now sold in all Finnish pharmacies, providing a strong foundation for growth in the adult products segment.

BioGaia's visibility among healthcare professionals expanded this year, supported by our ongoing collaboration with Plandent in oral health probiotics, building a new and growing adult health category. In the pediatrics segment, we enhanced face-to-face sessions and video resources to strengthen brand awareness and trust among healthcare professionals, including pharmacists, nurses, and midwives. Their endorsements, especially from midwives, have enhanced BioGaia's reputation among new parents. We also participated in key events, including pharmacy trade shows, congresses for pediatricians, midwives, dentists, dental hygienists, and the Nordic region's largest health and beauty fair, "I Love Me," in Helsinki.

On the consumer side, BioGaia broadened our reach with increased television, digital, and influencer marketing. Influencer marketing was directed toward new parents to enhance BioGaia's position as the top choice for baby probiotics, while TV campaigns focused on Gastrus and adult gut health products. Oral health probiotics were promoted through digital and native campaigns with online pharmacies. These combined efforts have elevated BioGaia's brand awareness across multiple touchpoints.

In Finland's growing market, BioGaia's strategic focus on baby, gut, and oral health has established a solid foundation for continued growth. With increasing brand awareness and recognition as the fastest-growing probiotic brand in Finnish pharmacies, BioGaia is well-positioned for further expansion in 2025.



Japan



Keitaro Nomura – Managing Director Japan

In 2024, BioGaia Japan continued building our market presence and enhance brand visibility through targeted efforts in key retail segments. Strategies such as pop-up stores, expanded collaborations with department stores, and a strengthened digital presence through new e-commerce initiatives played a central role in bringing scientifically backed probiotics closer to Japanese consumers.

BioGaia Japan successfully increased our brand awareness in 2024, supported by monthly nationwide media exposure and the effectiveness of its pop-up stores as hubs for consumer engagement and influencer activities. The expansion into new business partnerships was marked by increased inquiries from department stores, further

broadening the reach of BioGaia products. In addition, progress was made in the pediatric market where revitalized negotiations with key retailers are beginning to show promising results.

The successful migrating of the e-commerce brand store to the new e-commerce platform improved BioGaia's subscription business model, leading to a 30 percent increase in active subscribers. BioGaia Japan also expanded our online presence by launching on Rakuten, Japan's biggest e-commerce player, and Qoo10, an emerging marketplace focused on the health and beauty category.

As part of the market strategy, BioGaia Japan maintained our focus on the dental consumer segment, where our

omnichannel approach demonstrated strong development.

Looking ahead to 2025, we plan to maintain the current number of pop-up stores while strengthening their role as platforms for influencer-driven marketing and public relations. Efforts will also focus on boosting product visibility in high-traffic retail channels, such as department and convenience stores. Additionally, negotiations in the pediatric segment will be intensified, identified as a key growth opportunity. This year's investments have delivered positive results, laying a strong foundation for continued growth in the coming year.



Australia

In 2024, BioGaia marked a significant milestone by launching two new direct markets, Australia and New Zealand. This strategic expansion reflects our commitment to enhancing accessibility to high-quality probiotics while solidifying our brand presence in the Asia-Pacific region.

BioGaia embarked on establishing direct market operations in Australia and New Zealand in 2024. This expansion marks a significant step in strengthening our global presence and bringing clinically proven probiotic solutions directly to consumers and healthcare professionals worldwide.

The launch activation in Australia and New Zealand was carefully planned and effectively executed. Dedicated pharmacy sales teams played a key role in training pharmacy staff and securing premium shelf space, ensuring prominent in-store visibility. Tailored merchandising efforts complemented this strategy, making BioGaia products easily accessible. Recognizing the critical role of education



New Zealand

in promoting product adoption, we implemented extensive training programs for healthcare professionals, prioritizing general practitioners and pharmacists. Educational sessions and professional conferences were held across Sydney, Melbourne, and Brisbane. These were supported by BioGaia's Chief Scientific Officer, Gianfranco Grompone, who personally engaged with healthcare professionals, enhancing the credibility and brand awareness. These activities were met with high attendance and strong interest in BioGaia's probiotics solutions.

Beginning in September, BioGaia initiated local brand campaigns that included participation in Parenting & Baby Expos, reaching thousands of parents. Consumer media included an always-on search engine marketing and social media campaign, as well as a partnership with MamaMia, Australia's leading digital destination for young parents. The partnership included educational native articles, onsite



Ben Wright – Managing Director BioGaia Australia & New Zealand

advertising as well as Podcast sponsorships. The campaigns were further strengthened by media coverage, including an endorsement from Olympic swimmer and influencer Emily Seebohm, who featured BioGaia on Australia's Today Show while discussing solutions for newborn crying. In October, she continued to support the brand through her Instagram account, sharing content with her followers.

Building on the successes of 2024, BioGaia is well-positioned for growth in Australia and New Zealand. Key priorities include strengthening partnerships with healthcare professionals, leveraging strategic media campaigns to heighten consumer awareness, and expanding our product portfolio with offerings tailored to regional needs. These steps will strengthen BioGaia's foothold as a trusted provider of clinically proven probiotic solutions in the Asia-Pacific markets.



Community engagements

At BioGaia, active community engagement goes hand in hand with dedicated sustainability efforts. In 2024, we supported several initiatives focused on global health and sustainability, reflecting our commitment to creating positive societal impact closely connected to our business.



Children's Mission Philippines

As part of our ongoing engagement, BioGaia supported Children's Mission Philippines (CMP) in efforts to improve child nutrition and family well-being. CMP delivered Community Nutrition and Maternal and Child Health Care programs, providing health services and education in

remote areas through home visits and personalized follow-ups. The partnership also supported initiatives like Family Outreach and Unite Learn Empower, enhancing education, health, and skills development for vulnerable families.

PAR Foundation

In 2024, BioGaia continued its commitment to combating antibiotic resistance through the PAR Foundation, established in 2017. To address this pressing global health challenge, we allocated SEK 4.4 million to support initiatives focused on prevention and awareness in Ecuador, Malaysia, and several African countries. Since its launch, the foundation has with the support from BioGaia distributed SEK 25.6 million across 25 projects worldwide, driving impactful research, education, and advocacy efforts.



Panzi Hospital

Building on our longstanding commitment, BioGaia continued supporting Dr. Denis Mukwege, Nobel Peace Prize Laureate 2018, through the Friends of Panzi organization. This support helps sustain Panzi Hospital's critical work in the Democratic Republic of Congo. The hospital has provided essential care to more than 50,000 women and children, including treatment for physical injuries, maternity care, family planning, and life-saving services for premature and malnourished infants.

BioGaia is proud
to support Dr. Denis
Mukwege, the 2018
Nobel Peace
Prize laureate.

Climate Transformation Fund

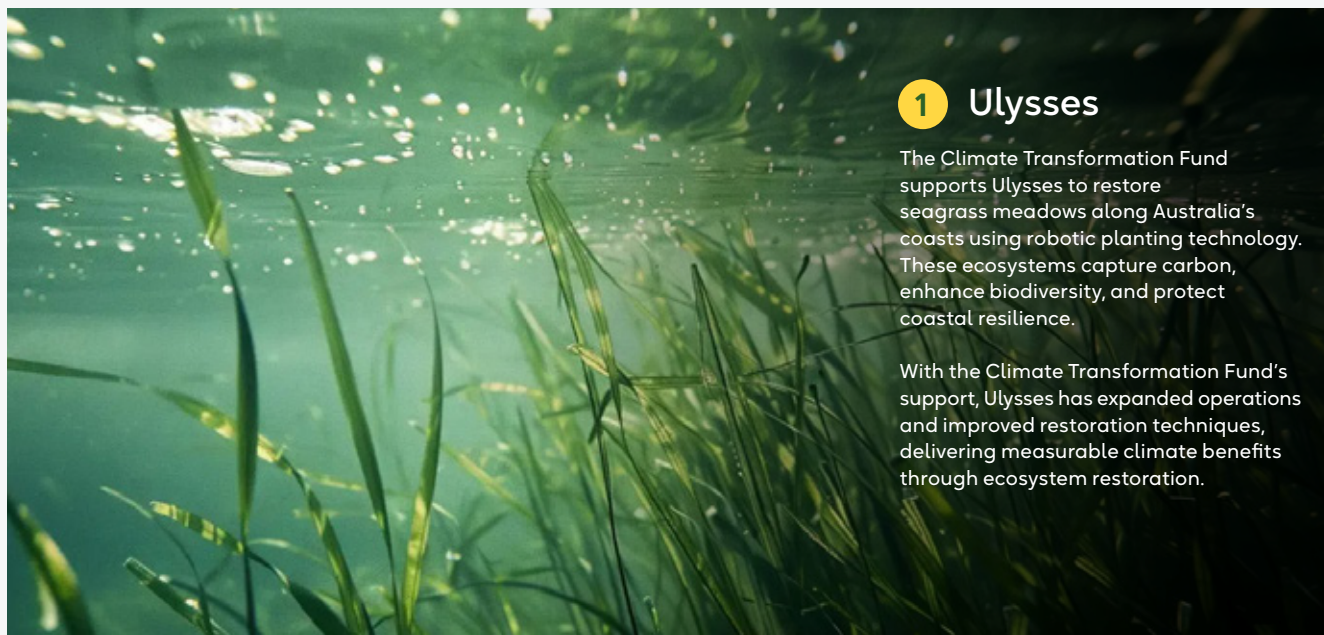
Supporting climate action is central to BioGaia's sustainability strategy. Since 2022, BioGaia supports Milkywire's Climate Transformation Fund (CTF) to maximize the impact of our climate and nature investments.

The Climate Transformation Fund supports innovative, scalable solutions to achieve global net zero emissions. Prioritizing long-term CO₂ reductions, it funds projects in durable carbon removal (e.g., Direct Air Capture, Biochar), emissions reduction through systemic change, and nature restoration to protect ecosystems and biodiversity. With expert guidance, the fund drives measurable impact and transformative climate solutions.

BioGaia will provide support in line with the internal carbon price set for emissions estimated from 2021 and onwards. In 2025, BioGaia donated USD 45.000 in the fund for its 2024 emissions. Since 2022, BioGaia has contributed a total of USD 153.000 to the Climate Transformation Fund.

A gift of health this Christmas

To engage employees in meaningful discussions about global health, BioGaia organized a Christmas "Giving Game" in December 2024. Employees learned about several highly effective organizations working to improve global health and voted on the initiative they believed would create the greatest impact. Based on the results, SEK 100,000 was donated to Helen Keller International through Ge Effektivt, to support vitamin A deficiency prevention efforts. This contribution will fund over 11,000 doses of vitamin A, meeting the annual needs of 5,500 children in high-risk areas.



1 Ulysses

The Climate Transformation Fund supports Ulysses to restore seagrass meadows along Australia's coasts using robotic planting technology. These ecosystems capture carbon, enhance biodiversity, and protect coastal resilience.

With the Climate Transformation Fund's support, Ulysses has expanded operations and improved restoration techniques, delivering measurable climate benefits through ecosystem restoration.

2 Industrious Labs

Industrious Labs is tackling emissions from the steel, cement, and aluminum industries. In 2024, with support from the Climate Transformation Fund, they secured funding for a new green aluminum smelter in the US. Through advocacy, data analysis, movement building, and strategic communications, Industrious Labs also targets major cement companies in the US to reduce emissions. They also collaborate with organizations in countries like India and Brazil to promote cleaner ways to make cement.

3 Yama

Through the Climate Transformation Fund, BioGaia supports Yama, an innovator in Direct Air Capture (DAC) technology. Using low-grade heat and electrochemistry, Yama's system captures CO₂ efficiently while minimizing energy and water use. BioGaia's support helps advance prototypes and strategic partnerships, driving this scalable solution toward commercial readiness and contributing to impactful climate change mitigation.



4 Solidaridad & Planboo

Solidaridad and Planboo's initiative empowers 100,000 smallholder farmers in Zambia with biochar technology, converting agricultural residues into biochar to improve soil fertility, boost yields, and sequester carbon. The project enhances food security and supports sustainable farming. Through the Climate Transformation Fund, BioGaia helps drive scalable solutions with both environmental and socio-economic benefits.



Sustainability



Words from the sustainability manager

Through focused initiatives in our three core areas – contributing to "Healthy people", running a "Healthy business", and promoting a "Healthy planet" – BioGaia has taken significant steps toward becoming an even more sustainable company in 2024.

Our efforts were recognized by MSCI, which awarded BioGaia an AA rating as a sustainability leader.

Our sustainability strategy has been further integrated into our updated business strategy, forming a fundamental part of its foundation. This integration is reflected in practice, with specific sustainability actions and achievements now serving as targets for selected employees within the organization. The alignment has driven further progress toward achieving our goals.

This year, we have also updated our double materiality assessment, and have implemented further refinements with reference to the ESRS standards and guidelines. The process included increased board engagement to ensure a thorough evaluation of our sustainability impacts, risks, and opportunities.

The materiality process has proven valuable not only for its direct outcomes but also for integrating a deeper understanding of sustainability throughout the organization. The results largely confirmed our 2022 findings, validating our previous assessment and reinforcing the robustness of our sustainability strategy.

Regarding our core area Healthy people, we obtained Hazard Analysis Critical Control Points (HACCP) certification, underscoring our commitment to food safety and quality management. Additionally, we have compiled a report that illustrates the impact of our products for infant colic on quality of life, to better understand how their health benefits contribute to tangible improvements in everyday life.

In our core area Healthy business, our Supplier Ethical Data Exchange (SEDEX) membership has enhanced our ability to monitor supplier sustainability performance, with all key first-tier suppliers now assessed through the Sedex Members Ethical Trade Audit (SMETA) or EcoVadis. We have also introduced comprehensive policy training for our employees. This new initiative, which is part of the enhanced compliance program, expands on previous efforts that mainly focused on anti-corruption training and the review of our policies. The updated program includes anti-corruption risk assessments and training that provides employees with practical examples and lessons learned, offering a deeper understanding of our policies and Code of Conduct.

To contribute to a healthier planet, we have transitioned to certified sustainably sourced materials for all paper packaging a year ahead of schedule.

In 2024, we also decided that effective from next year, BioGaia Production will source an equivalent amount of 100 percent ISCC-certified (International Sustainability and Carbon Certification) bio-based mass-balanced plastic for its product packaging¹, supporting the use of renewable resources through the ISCC mass balance approach². This will significantly reduce greenhouse gas emissions from the raw materials used in our packaging.³

An example of our commitment to more sustainable operations is that the office building at our Eslöv facility has been Miljöbyggnad-certified. The facility also features on-site solar power generation through rooftop solar panels, charging stations for electric vehicles, and ongoing improvements in energy efficiency and waste minimization at the production facility."

As part of our community engagement, we support organizations such as Children's Mission, Friends of Panzi, and Prevent Antibiotic Resistance (PAR). We also organized a holiday gift game where employees voted for impactful global health organizations, resulting in a donation to Helen Keller International and sparking discussions on effective health interventions.

Looking ahead to 2025, we're excited to continue deepening the integration of our sustainability strategy into our core business operations, pushing the boundaries of sustainable business practices, and expanding our contribution to improved global health.

1) Container and lid excl. sticker and desiccant. The transition will take effect from March 24, 2025.

2) Mass balance is a chain-of-custody approach that allows for the tracking of certified raw materials through the production process. It ensures that certified and non-certified materials are mixed in a controlled way while maintaining a verifiable record of the sourced certified input.

3) The reduced environmental impact is based on BioGaia's own research and internal assessments.



A young woman with brown hair tied back, wearing a grey textured blazer over a white t-shirt, is sitting at a desk and smiling while looking at a laptop. The background is a blurred office interior with large windows and modern decor.

General disclosures

General basis for preparation of the sustainability statement

The 2024 sustainability report data is consolidated according to the same principles as the financial statements. Thus, the consolidated quantitative ESG data comprises the parent company BioGaia AB and subsidiaries controlled by BioGaia AB¹.

This year's sustainability report references the EU directive on corporate sustainability reporting (CSRD) and the European Sustainability Reporting Standards (ESRS). Under Swedish legislation in effect at the time of publication, BioGaia is required to report according to CSRD, starting from the 2025 reporting year. As part of our preparations, we have chosen to reference certain aspects of the framework in the 2024 report. In previous years, BioGaia's sustainability reporting adhered to the Global Reporting Initiative (GRI) standards.

Sustainability is a fundamental part of our operations, shaping strategy development, business activities, risk management, and Group policies. A detailed description of our value chain and business model is described on page 19, and our strategy is described on pages 19-20 and 32-33.

The material impacts, risks, and opportunities identified during the double materiality assessment are presented alongside the material topical standards E1 Climate change, E5 Resource use and circular economy, S1 Own workforce, S2 Workers in the value chain, S4 Consumers and end-users, and G1 Business conduct in this sustainability statement. BioGaia also addresses company-specific material topics.

Sustainability is a fundamental part of our operations, shaping strategy development, business activities, risk management, and Group policies.

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1) Climate data currently excludes emissions from operations in newly launched facilities in Australia, as well as emissions from non-BioGaia products developed and sold by our subsidiaries.

2) The disclosures in this table are informed by the European Sustainability Reporting Standards (ESRS). This report serves as a transitional report, in which BioGaia references parts of the framework as preparation for upcoming legal requirements under current Swedish legislation. BioGaia does not yet report fully in accordance with CSRD.

Organization and governance

The Board of Directors holds ultimate responsibility for BioGaia’s sustainability agenda, ensuring alignment with the company’s overall strategy and compliance with emerging regulations. One Board meeting each year is dedicated to specific focus on sustainability, including a thorough review of BioGaia’s progress and goals. Additionally, sustainability is included in the annual strategy review to ensure the right focus and adequate attention to sustainability matters, integrating sustainability considerations into the decision-making process, and overall business strategy. The topic is also addressed whenever relevant during other Board meetings.

The Audit Committee, as part of its responsibilities within the Board, is also tasked with overseeing the sustainability reporting process alongside financial reporting. The CEO regularly updates the Board regarding the progress and outcomes of sustainability initiatives. These updates encompass progress on key sustainability initiatives, further adjustments to the CSRD framework, and other regulatory requirements. In 2024 key personnel undertook training in CSRD, including representatives from functions such as Corporate Governance, Sustainability, Finance, HR,

Procurement and Communications. As part of the initiative, procurement managers and dedicated buyers also received specific training on possible sustainability risks in the value chain.

BioGaia’s Sustainability Committee facilitates the execution of the sustainability agenda and plays a key role in shaping our sustainability strategy and ensuring operational adherence to established objectives. The Sustainability Committee is headed by BioGaia’s Sustainability Manager and the Chief Legal Officer and includes representatives from various parts of the organization, including one Board member, the CFO, and the CEO. This composition ensures that sustainability considerations are integrated into our company’s strategic decision-making processes. The Committee convenes four times per year to deliberate on matters such as strategic goals, progress tracking, and regulatory developments.

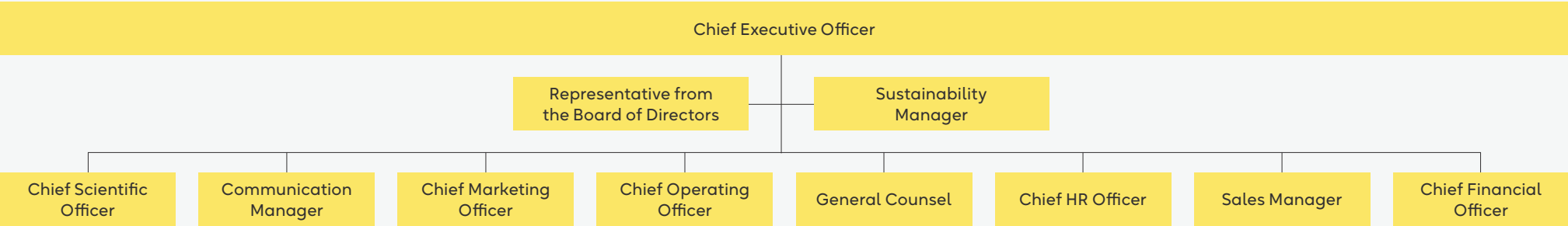
In 2024, the Sustainability Committee prioritized several key areas: refinement and execution of BioGaia’s overarching sustainability strategy, proactive adaptation to future EU legislation and compliance with the Corporate

Sustainability Reporting Directive (CSRD) and initiated processes to establish objectives and monitoring for the identified material topics. One meeting was entirely dedicated to the double materiality assessment and included three representatives from the Board, including its chairperson.

Sustainability-related objectives form an integral part of our strategic and operational plans. These goals are continuously tracked and updated to ensure alignment with BioGaia’s overarching business strategy and the evolving regulatory landscape. As part of BioGaia’s sustainability governance, as of 2024, incentive programs linked to sustainability targets apply to selected members of the Executive Team and certain key employees.

More information about BioGaia’s governance and sustainability practices is detailed in the Corporate Governance Report, which ensures transparency and accountability to stakeholders. By integrating sustainability into its governance framework, BioGaia demonstrates our commitment to sustainable business practices and fostering long-term value for our stakeholders.

Sustainability Committee



Sustainability policies and directives

BioGaia's internal Code of Conduct and Global Policy framework outline the fundamental guidelines and policies governing the company's operations and integration of sustainability into our activities. The Board of Directors reviews and approves these policies annually, ensuring they remain relevant and aligned with BioGaia's strategic objectives. Additionally, several directives, approved by the CEO and/or Executive Management, support our operational and strategic alignment.

As part of their onboarding process, all new employees are required to familiarize themselves with the Code of

Conduct, as well as the company's policies and directives. The Code of Conduct is publicly available on BioGaia's website, and all other policies and directives are accessible on the company's intranet. In 2024, general policy training, including anti-corruption, was conducted for all employees.

During 2024, BioGaia introduced an Environmental Policy. This policy reflects our commitment to consistently incorporate environmental considerations into BioGaia's decision-making and operations, addressing compliance, environmental impact reduction, waste management, responsible sourcing, and sustainable production within

our own operations. While the policy emphasizes minimizing the company's direct environmental footprint, it also acknowledges that our most significant impacts occur within the value chain. Recognizing this, the policy prioritizes actions that address environmental impacts beyond our immediate operations, particularly encouraging employees involved in procurement and material selection to make environmentally conscious choices that reduce environmental impact in the value chain.

To improve accessibility and transparency, BioGaia plans to make additional key policies publicly available on our website.

Policy/Directive	Main content	Scope	Ultimately responsible	Relevant external standards and regulations	Reference to ESRS ¹⁾
Code of Conduct	Overall summary of company policies for ethical behavior, professional conduct, environmental considerations and compliance with laws and regulations.	Own operations	Board of Directors	ILO (International Labour Organization) Core Conventions UN Global Compact Principles for Labor Rights OECD Guidelines for Multinational Enterprises The 3Rs Framework (Replacement, Reduction, Refinement)	G1-1 Business conduct policies and corporate culture
Corporate Governance Policy	Rules and practices for directing and controlling the company, including policy structure.	Own operations	Board of Directors		G1-1 Business conduct policies and corporate culture
Environmental Policy	Policies and commitments and strategies and actions to take to address climate change and reduce other environmental impacts.	Own operations and conducts affecting impacts along the value chain	CEO	Science Based Targets initiative (SBTi), GHG Protocol	E1-2 Policies related to climate change mitigation and adaptation E5-1 Policies related to resource use and circular economy
Signatory and Authorization Policy	Policy procedures for who can sign documents and make financial commitments on behalf of the company.	Own operations	Board of Directors		G1-1 Business conduct policies and corporate culture
People Policy (including working environment, diversity and recruitment)	Policies for fair employment practices, workplace safety, diversity, and hiring procedures.	Own operations	Board of Directors	Work Environment Act, Working Hours Act, Discrimination Act, Parental Leave Act	G1-1 Business conduct policies and corporate culture
Anti-Corruption Policy	Measures to prevent and address fraud, bribery, and other corrupt practices.	Own operations and conducts along the value chain	Board of Directors	UK Bribery Act, Foreign Corrupt Practices Act (FCPA)	G1-1 Business conduct policies and corporate culture

¹⁾ The disclosures in this column are informed by the European Sustainability Reporting Standards (ESRS). This report serves as a transitional report, in which BioGaia references parts of the framework as preparation for upcoming legal requirements under current Swedish legislation. BioGaia does not yet report fully in accordance with CSRD.

Policy/Directive	Main content	Scope	Ultimately responsible	Relevant external standards and regulations	Reference to ESRs ¹
Conflicts of Interest Policy	Procedures for disclosing and managing potential conflicts between personal and company interests.	Own operations	Board of Directors	UK Bribery Act, Foreign Corrupt Practices Act (FCPA)	G1-1 Business conduct policies and corporate culture
Insider Trading Policy	Rules to prevent the misuse of non-public information for trading company securities.	Own operations	Board of Directors		G1-1 Business conduct policies and corporate culture
Financial Policy	Policies for financial management, reporting, and decision-making.	Own operations	Board of Directors		G1-1 Business conduct policies and corporate culture
Procurement Policy	Procedures for ethical and efficient procurement of goods and services.	Own operations	Board of Directors		G1-1 Business conduct policies and corporate culture
Information Security Policy	Policies to limit the risk that BioGaia's information ("Information") is disclosed inappropriately.	Own operations	Board of Directors	GDPR	G1-1 Business conduct policies and corporate culture
Data Privacy Directive	Procedures to ensure personal data is protected and managed in compliance with regulations.	Own operations	CEO	GDPR	G1-1 Business conduct policies and corporate culture
IT Security Directive	To explain the way IT shall be used in "the Company" and thereby streamline the flow of information as well as increase the information security in "the Company".	Own operations	CEO	GDPR	G1-1 Business conduct policies and corporate culture
Communication Policy	Policies for internal and external communication to ensure consistency and protect company reputation.	Own operations	Board of Directors		S4-1 Policies related to consumers and end-users
Marketing Directive	Rules for ethical and compliant marketing practices.	Own operations	CEO		S4-1 Policies related to consumers and end-users
Travel Directive	Guidelines for business travel, including actions to reduce environmental impacts, report expenses and to consider safety and work-life balance considerations.	Own operations	CEO		S1-1 Policies related to own workforce
Supplier Code of Conduct	Ethical standards and expectations for suppliers doing business with the company.	Upstream value chain	CEO	ILO (International Labour Organization) Core Conventions UN Global Compact Principles for Labor Rights OECD Guidelines for Multinational Enterprises	S2-1 Policies related to value chain workers
Distributor Code of Conduct	Ethical standards and expectations for suppliers doing business with/on behalf of the company.	Downstream value chain	CEO	UK Bribery Act, Foreign Corrupt Practices Act (FCPA) ILO (International Labour Organization) Core Conventions UN Global Compact Principles for Labor Rights OECD Guidelines for Multinational Enterprises The 3Rs Framework (Replacement, Reduction, Refinement)	S2-1 Policies related to value chain workers
Whistleblower Guidelines	Guidelines for using the system for employees and stakeholders to report serious misconduct related to e.g. accounting, bribery, environmental crimes, workplace security, or discrimination, while ensuring protection from retaliation and proper investigation procedures.	Upstream/ Own operations/ Downstream	CEO	Whistleblowing Act	G1-1 Business conduct policies and corporate culture

1) The disclosures in this column are informed by the European Sustainability Reporting Standards (ESRS). This report serves as a transitional report, in which BioGaia references parts of the framework as preparation for upcoming legal requirements under current Swedish legislation. BioGaia does not yet report fully in accordance with CSRD.

Double materiality assessment

In 2024, BioGaia conducted an updated materiality assessment with reference to the European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD).

The analysis included an assessment of how BioGaia's operations impact the environment, society, and stakeholders, as well as how external factors affect the company's financial results and operations.

Methodology

The materiality assessment began with a comprehensive list of sustainability topics relevant to BioGaia's operations. These topics were informed by prior assessments such as the materiality analysis conducted in 2022, reporting frameworks such as GRI and SASB, the UN Sustainable Development Goals, and ESRS requirements. Topics that were irrelevant to BioGaia's business model were excluded from the analysis.

Stakeholder engagement played a central role in prioritizing material topics. In the materiality assessment conducted in 2022 dialogues were conducted through surveys with corporate customers, distribution partners, investors and employees, alongside reviews of ongoing consumer interactions and investor feedback on BioGaia's sustainability efforts. In 2024 similar actions were initiated, and a detailed analysis of customer demands and retailers' requirements was referenced. For more details on stakeholder dialogues, refer to page 67. Input from BioGaia's Sustainability Committee and Board members further refined the evaluation, ensuring alignment with both stakeholder expectations and BioGaia's strategic goals.

Scoring and Validation


Each sustainability topic was guided by ESRS criteria for impact materiality (scale, scope, remediability, and likelihood) as well as financial materiality (risks and opportunities across short, medium, and long-term horizons). A workshop with the Sustainability Committee and Board validated the results, ensuring a robust and collaborative process.

Key Outcomes

The materiality assessment identified 16 material topics for BioGaia's sustainability work. These topics were ranked based on impact materiality and financial materiality.

Among the critical topics central to BioGaia's sustainability strategy are product quality and safety, transparent research, and clinically proven effects, ensuring we deliver safe and effective products backed by science. Positive impact on health remains a cornerstone of BioGaia's mission, while business ethics, including anti-corruption efforts, whistleblower protection, and ethical interactions with healthcare professionals, reflect our commitment to integrity. Employee health and safety are also prioritized to foster a sustainable work environment.

Significant topics include addressing climate change by reducing emissions both directly and across the value chain, including emissions from transportation, which are estimated to account for the largest part of BioGaia's climate footprint. Using sustainable raw materials and packaging to minimize our environmental impact through responsible sourcing and the use of recyclable materials was also identified as significant. Consumer communication and education play a vital role in building transparency and awareness



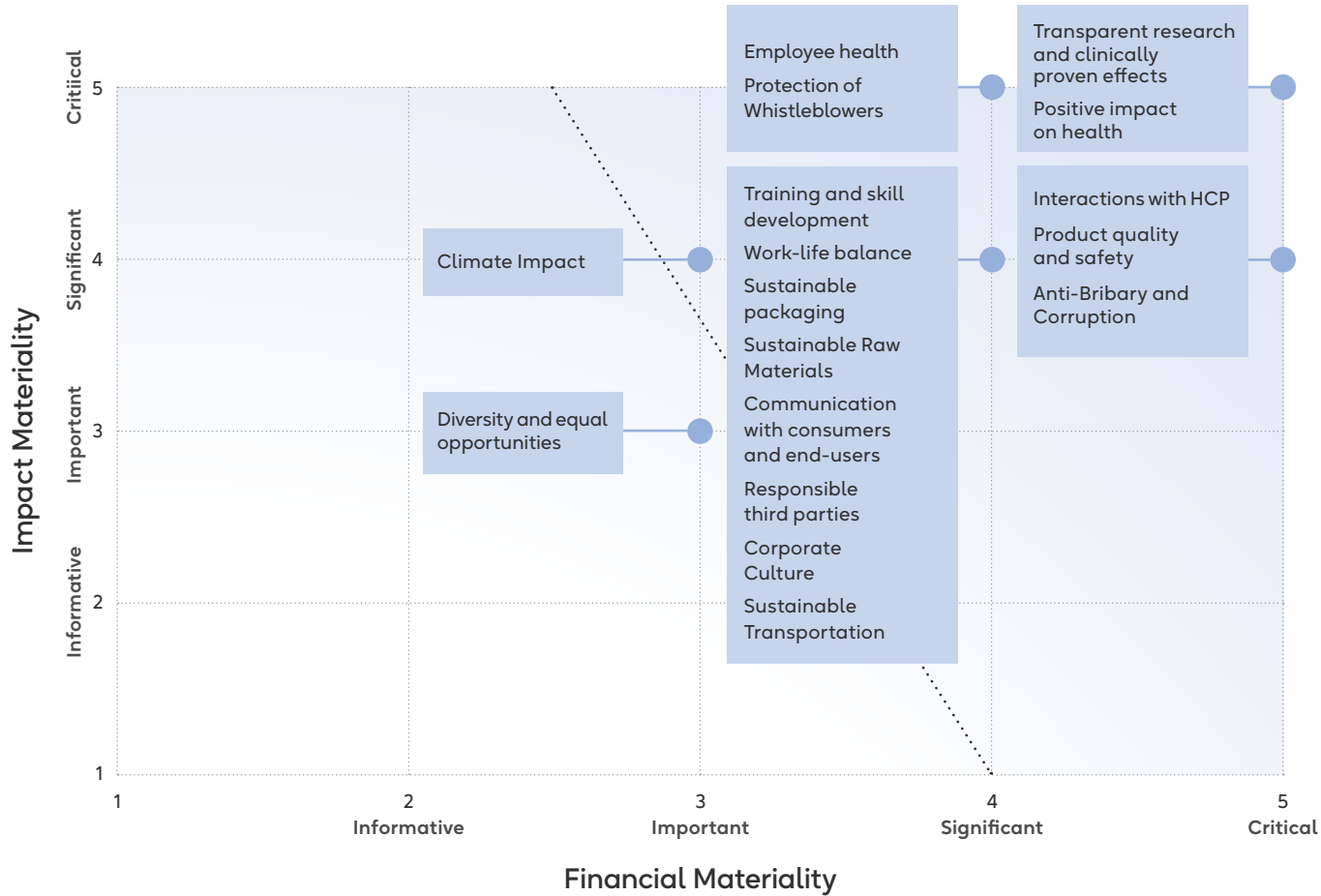
A workshop with the Sustainability Committee and the Board validated the results, ensuring a robust and collaborative process.

about BioGaia's products and sustainability practices. Corporate culture, one of BioGaia's material topics, reflects our values and integrates them into day-to-day operations. Similarly, work-life balance and training and skills development foster an environment that supports both workforce engagement and professional growth. The material topic of responsible third-parties focuses on ensuring fair treatment, upholding human rights, and promoting environmentally sustainable practices.

Diversity and equal opportunities remain an important focus area for BioGaia. While not classified as material in the double materiality analysis, this topic will continue to be addressed due to our strong commitment to employee well-being, workplace culture, and long-standing dedication to these principles, as well as the disclosure requirements outlined in the Swedish Annual Accounts Act.

Additional topics, such as biodiversity, water use, supplier relations, secure employment, and animal welfare, were evaluated but not deemed material. For more information on our assessment and how we continue to address these issues, see pages 124-126.

Double Materiality Assessment



Stakeholder engagement

In connection with the double materiality assessment, dialogues were conducted with selected stakeholders with the greatest influence on BioGaia, as well as those most significantly impacted by BioGaia's operations.

This approach ensures that our sustainability efforts address the areas of greatest importance to both stakeholders and BioGaia's operations.

For the 2024 updated materiality assessment, we reviewed consumer data and surveys, incorporating insights from surveys conducted in 2022 with selected distribution partners and employees. Additional dialogues included discussions with investors to gather their perspectives on BioGaia's sustainability strategy. Feedback from ongoing consumer dialogues, investors, and external sustainability reports helped refine our understanding of stakeholder priorities and material topics.

The table to the right summarizes how we engage with our key stakeholders, the types of dialogues held, and the topics they prioritize. These dialogues are essential for identifying risks and opportunities and ensuring that our sustainability strategy supports long-term value creation.

Stakeholder	Prioritized Topics	Dialogue Type (*and frequency)
Consumers	<ul style="list-style-type: none"> - Safe products - Products with positive health effects - Products containing sustainable ingredients - Sustainable packaging - Sustainable transports 	Direct, ongoing dialogue with consumers via social media, email customer support.
Owners/shareholders	<ul style="list-style-type: none"> - Returns and dividends - Value creation - Reliable and responsible operations - Climate change 	Quarterly reports and investor presentations. Sustainability ratings e.g. Sustainalytics and MSCI.
Employees	<ul style="list-style-type: none"> - Skills development and career path - Healthy working environment - Non-discrimination 	Close dialogue between employees and managers, regular performance reviews, internal conferences, employee surveys.
Suppliers	<ul style="list-style-type: none"> - Long-term and evolving collaboration 	Direct and ongoing dialogue via the Sales, Marketing and Operations departments. Discussions with suppliers in connection to sustainability data requests.
Distribution partners	<ul style="list-style-type: none"> - Evolving collaboration - Business ethics - Climate change 	Upon onboarding, due diligence and periodic business integrity assessments of partners by legal department. Direct and ongoing dialogue via the Sales and Marketing departments as well as BioGaia's quality department and department that handles regulatory issues. Dialogues about BioGaia's Distributor Code of Conduct and replying to distributor questionnaires such as how the company works with sustainability. Surveys of selected distribution partners in 2022 focused on which sustainability issues they consider most material.
Retailers	<ul style="list-style-type: none"> - Climate Change - Business Conduct - Sustainable Packaging - Sustainable ingredients - Safe products - Diversity 	Detailed analysis of sustainability agenda and targets for BioGaia's key retailers.
Researchers	<ul style="list-style-type: none"> - Independent research projects - Evolving collaboration 	Direct and ongoing dialogue via the research department.
Authorities	<ul style="list-style-type: none"> - Regulatory compliance 	Dialogue with authorities either directly or through national and/or international industry organizations.
Future generation	<ul style="list-style-type: none"> - Climate change - Existential risks 	Direct dialogue with future generations is not possible, but they play an important role as BioGaia's stakeholders. In the materiality assessment, the company's potential impact on future generations is highlighted, emphasizing that an issue with limited impact today, but that affects future generations, actually has a wide-ranging impact.

Sustainability strategy and value chain



Sustainable solutions are integral to how we operate as a business and a fundamental part of our foundation. By delivering products with clinically proven effects, BioGaia contributes to better health globally.

Our commitment to sustainability extends beyond the immediate health benefits of our products for end-consumers. It also encompasses the broader social and environmental impact of our operations and value chain. To focus our sustainability efforts, we have organized our work into three key categories: "Healthy people," "Healthy business," and "Healthy planet," addressing our most significant sustainability impacts, risks, and opportunities.

Value chain

BioGaia's value chain is described in detail on pages 19-20, providing an overview of key upstream and downstream activities. It also outlines the key inputs and resources required for our operations.

Material sustainability topics

Healthy planet

The health of our planet and the health and well-being of people are strongly linked. This is why BioGaia must also be aware of how our actions and our products impact the environment and the well-being of the planet. By caring for both people's health and the planet's health, we can contribute to a more sustainable and healthy future.

Climate Change

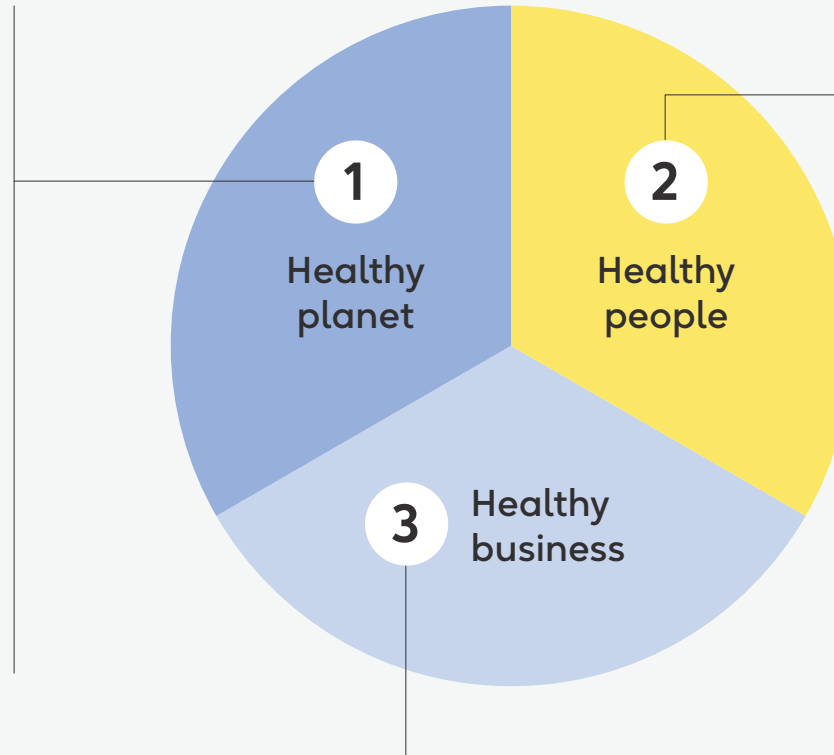
E1

- Climate Impact
- Sustainable transportation

Resource Use and Circular Economy

E5

- Sustainable packaging
- Sustainable raw materials



Healthy business

A prerequisite for developing and selling healthy products is that our business operates in a sound and ethical manner. A healthy business is characterized by BioGaia considering, communicating and managing our impact on our stakeholders in a responsible manner while ensuring that coworkers are satisfied and inspired at work and have the opportunity to develop.

Business Conduct

G1

- Anti-Bribery and Corruption
 - Protection of whistleblowers
 - Interactions with HCP
- Corporate culture

Healthy people

BioGaia's operations are based on offering clinically proven products that promote health and well-being. Product development is based on research conducted in an ethical and transparent manner to offer products of the highest quality that contribute to better health.

Consumers and end-users

S4

- Positive impact on health
- Transparent research and clinically proven effects
- Product quality and safety
- Communication with consumers and end-users

Own workforce

S1

- Employee health
- Training and skills development
- Work-life balance

Workers in the value chain

S2

- Responsible third parties





Environment – Healthy planet

A healthy planet is a prerequisite for human health and well-being. For a company like BioGaia, whose mission is to promote better health, it is therefore a natural part of our operations to strive for a healthier planet.

E1: Climate Change

Material topics

- Climate impact
- Sustainable transportation

E5: Resource use and circular economy

Material topics

- Sustainable packaging
- Sustainable raw materials

E1: Climate change

– Climate impact

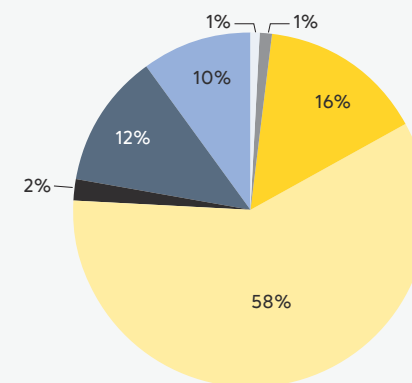
■ Materiality and approach

We want to take responsibility and work on reducing our greenhouse gas emissions, something that our stakeholders clearly demand and expect. The reduction of emissions is identified as a significant material topic. Our primary focus in addressing climate change lies in reducing our emissions both directly and throughout the value chain. Our commitment to a healthier planet is pursued primarily through three key sustainability areas: sustainable packaging, raw materials and transportation. While these areas have the greatest impact, we also lead by example by reducing our own emissions, primarily through purchasing non-fossil-based electricity for our facilities.

Through proactive efforts to reduce our climate impact, we not only strengthen our resilience but also reduce our costs. Being aware of and actively managing the risks linked to climate change is essential. These risks relate to changes in physical conditions, such as extreme weather events and rising sea levels, which could potentially damage our infrastructure. At the same time, it is important to prepare for new regulations and take advantage of the rising demand for sustainable products. Managing these risks while leveraging emerging opportunities related to climate transition is critical to ensuring our long-term sustainability and economic stability.

Reducing our negative impact on the environment is an integrated part of our strategy to contribute to a Healthier planet. This effort is a collaborative initiative across the entire company under the overall operational responsibility of the CEO and Sustainability Committee. In 2024, BioGaia launched the Environmental Policy to ensure progress and guide our efforts.

BioGaia's emission sources



- Premises-related (Scope 1, 2, and 3): electricity, cooling, heating, waste
- Company-owned vehicles (Scope 1 and 3)
- Business travel: flights, trains, rental cars, hotels
- Transportation & distribution: inbound and outbound logistics
- Employee commuting
- Packaging: material production, disposal, and recycling
- Ingredients and raw materials: sourcing, processing, and production

Emissions from the company's own premises and operations—such as the use of company vehicles, waste management, and energy consumption (electricity, heating, and cooling)—account for 2 percent in market-based estimates and 4 percent in location-based estimates (including Scope 1, 2, and related Scope 3 emissions). Employee commuting also contributes 2 percent of the total emissions.

Business travel accounts for 16 percent, while the production of ingredients and packaging materials contributes approximately 22 percent. The largest share, 58 percent, comes from transportation and distribution, including both inbound and outbound logistics. Of these transport-related emissions, 3 percent come from BioGaia's internal transport of goods and ingredients, 13 percent from downstream transportation to its own subsidiaries, and the

remaining 84 percent from emissions generated by distribution partners¹. The estimated emissions for distribution partners' transports are based on limited data and are a rough approximation rather than an accurate measurement.

¹) Distribution partners also refer to BioGaia's own subsidiaries. Additional significant emissions occur when goods are shipped to resellers and later to customers through distribution partners. Since BioGaia naturally has very limited control and insight into these processes, the emissions are not included in our climate calculations.

■ Management of impacts, risks and opportunities

Science-based climate target for Scope 1 and 2

In 2022, BioGaia committed to a science-based climate target, which was verified by the Science Based Target initiative (SBTi). The commitment means setting a goal to reduce our climate emissions in line with the international target to limit the global temperature increase to below 1.5 °C. Our target, which is set for 2030, encompasses emissions in Scope 1 and 2. To achieve the target, we will reduce our greenhouse gas emissions between 2019 and 2030 by at least 46 percent from a 2019 baseline.

However, BioGaia has limited direct emission sources from our operations (Scope 1), as the company only has a few of our own vehicles. Our main emissions in the Scope 1 and 2 categories are primarily due to energy use in our own properties. Therefore, buying and investing in renewable electricity is the most effective measure to meet the science-based climate target. To reduce our emissions, BioGaia is therefore investing in renewable electricity for our operations.

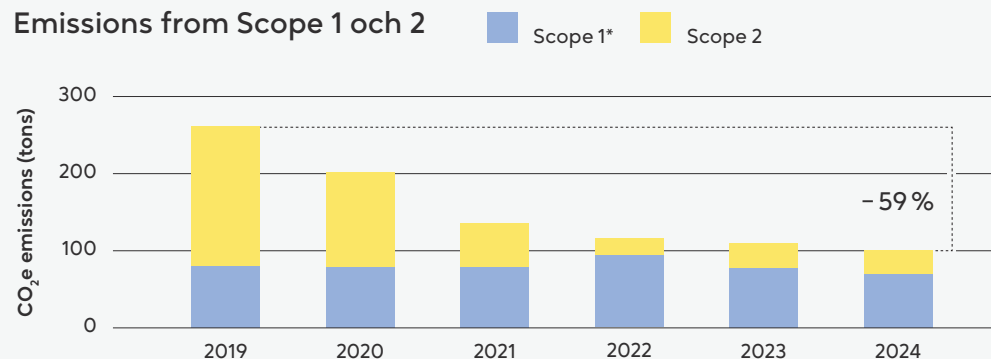
Since 2020, we have purchased non-fossil-based electricity for all of our premises in Sweden, and since 2021 this also applies to our operations in Japan through separate

certificates corresponding to electricity consumption. In 2022, this was extended to also apply to our recently acquired company in the US. This means we now purchase non-fossil-based electricity for all of our operations housed in their own premises¹. Purchasing these certificates promotes the expansion of renewable electricity in the markets in which BioGaia operates.

According to a market-based calculation of our climate emissions, by purchasing mainly renewable, non-fossil-based electricity, BioGaia has reduced its Scope 1 and 2 emissions by 59 percent (59) in 2024 compared with 2019. Since 2019, we have thus reduced total emissions with more than 600 tons. As a result, the target of a 46 percent reduction in emissions from 2019 was achieved in 2024. To continue living up to our commitment, it will be necessary to supply all major buildings and premises BioGaia uses and owns with renewable electricity.

¹) In other countries where BioGaia has operations, such as Finland, Canada, the UK and from 2024 also Australia, our employees work mainly from home or rent space in the offices of other organizations. Due to this, BioGaia has limited opportunities to control and influence electricity. The energy usage from these sites is therefore not included in the estimated emissions. Furthermore, the electricity consumption attributable to these working arrangements is comparatively low, with 1-3 persons per site, roughly estimated to account for less than 2 tons of CO₂e annually.

Emissions from Scope 1 och 2



Energy consumption and mix

Energy type	Consumption (MWh)	% of consumption
Fossil sources*	436	16%
Nuclear sources	16	1%
Renewable sources	2269	83%
- Fuel consumption (biomass, biofuels, etc.)	499	18%
- Purchased renewable electricity, heat, steam, cooling	1750	64%
- Self-generated non-fuel renewable energy	20	1%
Total energy consumption	2722	100%

*Including fuels used for company operated cars and fuels used by landlord for company sites.



Our operations in Eslöv

In 2024, a new office building was completed in Eslöv, where BioGaia's subsidiary, BioGaia Production, has been located for many years. This new facility, designed for BioGaia AB employees, has been awarded Miljöbyggnad Silver certification for its energy-efficient construction and other sustainable features. The building is equipped with rooftop solar panels, enabling on-site renewable energy generation for a portion of the electricity consumption. Any additional electricity needs not covered by on-site production and sourced from external suppliers, also come from renewable, non-fossil-based sources.

Climate initiatives and actions in Eslöv:

- **Renewable Energy:** Procurement of 100 percent renewable electricity and in-house solar power production from rooftop solar panels.
- **Energy Efficiency:** The facility utilizes a heat recovery system (waste heat) and energy-efficient heating with ice-sticks and cold-retaining rods. The production facility is equipped with LED lighting with timers, and a new frequency-controlled compressor was installed in 2024 to reduce energy consumption.
- **Sustainable Transports:** Charging stations for electric vehicles, e-bikes, and e-scooters.
- **Climate Resilience:** Support for the local community through a rainwater retention pond for stormwater management.
- **Reduce Waste:** Paper-based tape is used to reduce plastic waste, and stretch film made from 51 percent recycled plastic.

■ Performance, metrics and targets

Science-based target in supply chain



As a means of effectively reducing climate emissions in the supply chain, BioGaia resolved during the year to regularly monitor and impose specific requirements on suppliers that are considered to have the highest climate emissions. These include suppliers of raw materials and packaging components, logistics, freight and travel agencies. BioGaia aims to encourage these suppliers, similar to what we ourselves did in 2022, to commit to a science-based target to reduce their climate emissions in accordance with the Paris Agreement, aligned with the supplier engagement target set by SBTi.

In 2024, BioGaia mapped our remaining key suppliers and began engaging with selected direct suppliers on setting climate targets. Dialogue has been initiated with key direct suppliers to support their progress toward adopting science-based emissions reduction targets. By the end of 2024, 57 percent of the key direct suppliers targeted in this initiative had already committed to science-based climate targets.

Suppliers with a science-based target	2024	2023
Direct suppliers of input goods	57%	57%

Scope 3 emissions

Since most of BioGaia’s emissions arise in the value chain outside our own organization (Scope 3), it is important that we prioritize initiatives that help reduce these emissions. Our materiality assessments, conducted in 2022 and 2024, confirmed that BioGaia should focus on the three primary emission sources I) transportation, II) packaging and III) ingredients of our products. More information about the initiatives undertaken by BioGaia in these areas is available on pages 76-83.

GOAL	TARGET YEAR	PROGRESS	STATUS
Reduce Scope 1 & 2 emissions by 46 percent by 2030 from 2019 emission levels (Science Based Target).	2030 (base year 2019)	For the third year in a row, BioGaia achieved the science-based target for Scope 1 and 2. In 2024, Scope 1 and 2 emissions were 59 percent lower than in 2019, based on a market-based method.	 According to plan
Establishing a science-based supplier engagement target for Scope 3 to actively reduce emissions in the supply chain.	2024	Engagement with key suppliers has begun to support their progress in adopting climate emissions reduction targets. While discussions are ongoing, no new suppliers committed to the Science Based Targets in 2024.	 In progress

Internal carbon price

In 2022, BioGaia introduced an internal carbon price to be used as a tool to strengthen our sustainability focus and finance projects with substantial potential to reduce global carbon emissions. This initiative aims to integrate environmental impact into decision-making by quantifying the cost of greenhouse gas emissions. The funds generated through the internal carbon price will be used to finance effective climate projects, which are described in more detail on page 56.

The internal carbon price is set at USD 100 per metric ton of carbon dioxide equivalents for Scope 1 and 2 emissions, and USD 10 per metric ton for Scope 3 emissions, with an exception for emissions from distribution. Emissions from distribution are exempt due to data uncertainty and dependence on the transport methods used by our distribution partners, over which BioGaia has limited ability to influence.

Climate impact

Tons CO₂e emissions by company

	Scope 1 (GRI 305-1)				Scope 2 (GRI 305-2)				Scope 3 (GRI 305-3)			
	2024	2023	2022	2019	2024	2023	2022	2019	2024	2023	2022	2020
BioGaia AB	0	0	0	0	0	5	5	9	7168	6284	6760	2 558
BioGaia's subsidiaries	73	77	93,5	9	33	27	16	57	872	878	695	52
Total emissions for BioGaia group	73	77	93,5	9	33	32	22	66	8040	7162	7455	2 609

1) Increase from previous years is a result of updated calculations for company cars and refrigerant leakage.

2) Increase from previous years is mainly a result of updated calculations of distribution.

Tons CO₂ eq. emissions by category

	2024	2023	2022	2019
SCOPE 1 (GRI 305-1)¹				
Company cars	73	77	93	75
Refrigerant leakage	0	0	0	-
SCOPE 2 (GRI 305-2)¹				
Electricity, cooling and heating – market based	33	32	22	69
Electricity, cooling and heating – location based	208	205 ⁶	201	56
SCOPE 3 (GRI 305-3)²				
Electricity, cooling and heating – market based ¹ not included in Scope 2 (3)	31	26	27	-
Emissions from company cars – Scope 3	22	23	28	-
Product ingredients (1, 10)	776	745	850	644
Product packaging ³ (1)	875	836	839	696
Outbound transportation ⁴	4 592	4 229	4 477	-
Handling of packaging at the end of the lifecycle (12)	123	110	119	108
Transportation of raw materials (4)	137	91	79	69
Commuting (7)	168	141	134	143
Business travel (6)	1 303	947	891	939
Other (office supplies and office waste as well as emissions from rented properties) (1, 5, 8)	13	13	11	14
Total emissions in BioGaia Group excl. outbound transportation	3 554	2 933	3 091	2 684
Total climate impact included in BioGaia's internal carbon price (excl. outbound transportation)	3 554	2 933	3 091	-
Amount paid for CO₂e emissions (USD)	45 000	40 150	41 500	
Total climate impact incl. outbound transportation	8 146	7 270	7 570	-

1) Starting in 2022, GHG emissions from the acquired US subsidiary have been incorporated. Emission reduction estimates since 2019 also account for its emissions, which are not reflected in the table for 2021 and 2019. The total emissions from BioGaia Group in 2019 within Scope 1 and 2, including the subsidiary in the US, are estimated to have been 261 tCO₂e.

2) The type of Scope 3 category according to the GHG protocol is shown in parentheses.

3) Includes emissions from both direct and intermediate packaging used when producing products.

4) 3,585 tCO₂e is related to outbound transportation to distribution partners and 644 tCO₂e to outbound transportation to subsidiaries.

5) Emissions from company owned-cars have been retrospectively calculated; hence, they have not been included in previous years' reports.

Calculation methods

- Our emission calculations comply with the Greenhouse Gas Protocol (GHG) guidelines to ensure accuracy and standardization.
- During 2024, average carbon emissions per employee were 16 (14) tCO₂e/person excluding distribution, and 38 (34) tCO₂e/person including distribution.
- BioGaia uses 2019 as the base year for following up our emissions. The emission factors used normally include greenhouse gases, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride. More detailed information about the emission factors used is available on page 133.
- We apply the operational control approach as the consolidation approach for emissions as defined in the GHG Protocol Corporate Standard.



E1: Climate change

- Sustainable
transportation

■ Management of impacts, risks and opportunities

By proactively reducing our emissions from transportation, BioGaia can contribute not only to a sustainable future but can also increase cost savings and efficiency. A strategy that focuses on minimizing dependence on fossil fuels increases our resilience to price fluctuations and may also have a positive impact on our brand.

According to our climate estimates, transportation accounts for the largest share of our climate footprint, with more than 75 percent of BioGaia's total emissions. Of these emissions, 66 percent come from transporting products to distributors, 10 percent from deliveries to our subsidiaries, 2 percent from internal transportation of raw materials, and 22 percent from business travel.

Failure to transition to sustainable transportation options could lead to higher fuel costs and supply chain disruptions due to stricter emissions regulations. Addressing this risk involves ongoing efforts to reduce the environmental impact associated with product distribution and business travel, with a focus on increasing cost efficiency and exploring opportunities to lower reliance on fossil fuels over time.

Distribution

During the year, we continued reviewing opportunities that exist to reduce emissions from our distribution. We are studying the possibility to replace some air freight with sea transport to reduce emissions in our

direct markets. The distribution process to external distributors is particularly challenging since it is usually the distribution partners themselves who choose the method of transport, not BioGaia. To influence distribution partners' choice of transport method, the company's official recommendations encourage the use of the most environmentally conscious mode of transport. Significant improvements can usually be achieved by choosing sea freight instead of air freight.

Business travel

In order to reduce emissions from the company's business travel, BioGaia has introduced a Travel directive that has been adopted by the executive team. Guidelines for employee travel are outlined in the directive, aimed at increasing employee safety and reducing costs and the climate impact of business trips. The directive states that train travel should be prioritized over air travel, which has a significant effect on the total climate emissions from travel.

BioGaia has set a target to reduce emissions from business travel by 30 percent, defined as a reduction in average emissions per sales volume in the period 2021-2025 compared to 2019. As the effects of the pandemic subsided in 2022 and travel resumed in 2023, business travel and thus emissions increased. In 2024, it is noted that the emission from business travel has increased. This might be due to the impact of having new subsidiaries in different parts of

the world, which was not the case in 2019. However, emissions relative to sales volume remain 25 percent lower than in 2019. This means that in 2024, BioGaia did not achieve its target of reducing emissions per sales volume by at least 30 percent compared to 2019.

Commuting

BioGaia introduced a flexible work model in 2021 that allows employees to work from home up to two days a week. This change has likely led to a decrease in emissions related to commuting. To promote sustainable transport, charging stations for electric vehicles, e-bikes, and e-scooters have been installed outside BioGaia's headquarters and production facility in Eslöv. In late 2024, BioGaia expanded our sustainable commuting initiatives by launching an employee bicycle program. This program enables permanent employees to acquire bicycles through a salary sacrifice scheme, promoting eco-friendly transportation and employee well-being.

The emissions from commuting are based on an annual survey of coworkers' travel habits to and from work. According to the 2024 survey, emissions from commuting were 19 percent higher compared to 2023. However, most of this increase can be attributed to a refinement in the calculation method for one of the units, resulting in improved accuracy.

■ Performance, metrics and targets

BioGaia has set a goal to reduce the relative climate emissions from business travel by **30 percent** compared to the 2019 levels.

GOAL	TARGET YEAR	PROGRESS	STATUS
Reduce relative climate emissions per sales volume from business travel by 30 percent compared to 2019.	2025 (base year 2019)	In 2024, BioGaia achieved a 25 percent reduction in emissions per sales volume compared to 2019 but fell short of the target.	 In progress



ESRS E5: Resource use and circular economy

- Sustainable packaging
- Sustainable raw materials

■ Materiality and approach

A transition to efficient resource use and a more circular business model aligns business growth with environmental and social value. Inefficient resource use, especially in regions with stringent sustainability regulations like the EU, could hinder BioGaia's ability to meet regulatory standards and operate efficiently.

At BioGaia, we identify resource use and the circular economy (defined as sustainable packaging and raw materials) as an important material topic primarily driven by the choices of suppliers and raw materials used together with actions taken to transition to more sustainable packaging.

BioGaia recognizes an opportunity to implement sustainable packaging in line with circular economy principles, driven by both regulatory developments and growing consumer demand for sustainably sourced products.

Lifecycle assessment of ingredients and packaging

The core of our efforts to reduce the negative environmental impact from ingredients and packaging is largely based on the results of a lifecycle assessment conducted in 2020 in accordance with the guidelines of ISO standards 14040 and 14044. This analysis generated lifecycle data for the majority of our products' ingredients and packaging. In connection with the lifecycle assessment, a tool was developed to evaluate the environmental impact resulting from various changes to the products.

The assessments not only consider the products' impact on climate change but also other forms of environmental impact, such as acidification and eutrophication (ReCiPe points). In addition, as part of the updated materiality assessment in 2024, a more in-depth analysis was also conducted to evaluate the water usage from bacteria production for our products.

■ Management of impacts, risks and opportunities

Offering resource-efficient packaging solutions is necessary to reduce climate impact, adapt to future regulations, maintain confidence and avoid cost increases. According to our climate calculations, packaging (manufacturing and materials) accounts for 10–15 percent of total climate emissions. Furthermore, additional negative impacts may arise, particularly if the packaging is not properly dealt with during waste management. To minimize the environmental impact of the packaging, it is important for BioGaia to choose packaging solutions with the lowest possible environmental impact both during manufacturing and at the end-of-use.

Strategy for sustainable packaging

The use of sustainable packaging is a priority for BioGaia, and efforts to find alternative packaging solutions continued in 2024. The goal is to find packaging solutions that are produced in a more sustainable manner, using lower-impact materials with a limited negative environmental impact at the end of their lifecycle, without compromising the quality and shelf life of the product.

Our strategy to reduce packaging's environmental impact is based on four overall objectives:

1.

By 2025, all paper packaging used in our production will be certified from responsibly managed forests or made of verified recycled materials.

2.

BioGaia aims to use recyclable or biodegradable packaging by 2030.

3.

BioGaia aims to identify new packaging solutions that reduce our climate impact per dose and prioritize packaging solutions that minimize environmental impact.

4.

Sustainability aspects will be continuously assessed in product development projects and during procurement of packaging solutions.

1. Certified sustainably sourced materials for all our paper packaging

In 2024, we achieved our goal, originally set for 2025, to ensure that all paper used for packaging our products including outer- and transport packaging as well as package leaflets, is sourced from certified responsibly managed forests.

2. Recyclable packaging

In 2024, we conducted an assessment of all our packaging solutions through the HTP-cyclos institute. The results showed excellent recyclability (AAA) for our paper packaging, good recyclability (A) for our containers, and medium recyclability (B) for our glass bottles. This assessment provided us with concrete actions to further enhance our packaging's recyclability performance.

3. More sustainable materials

During the year, we identified the opportunity and decided that, starting in 2025, BioGaia Production will ensure that an equivalent amount of ISCC-certified bio-based plastic is sourced for the production process of our product container packaging¹. Certification by an independent third party will verify the sourcing and traceability of the certified material throughout the supply chain (ISCC mass balance approach²). This change will avoid almost all emissions associated with producing the container itself, contributing to a total reduction of over 30 tons of greenhouse gas emissions annually.³

We continue to drive local innovation, including our ongoing collaboration with Woola in the UK, where surplus sheep wool has replaced bubble wrap for direct-to-consumer packaging, reducing plastic use and supporting circular solutions⁴.

The primary challenge for BioGaia in adopting packaging with a lower environmental impact is ensuring effective protection from vapor and moisture, which the bacteria in the products are particularly sensitive to. Since adopting an innovative desiccant solution in 2011, BioGaia has eliminated the need for cold chain in our product distribution,

significantly improving sustainability. The next step is to find alternatives to the current protective materials to further reduce environmental impact, where possible, without compromising the quality and shelf life of our products.

In 2024, we ensured that all our paper packaging comes from sustainably managed forests. From 2025, the containers¹ purchased for BioGaia Production will contain plastic certified according to ISCC's mass balance system, based on 100 percent bio-based raw material.

Our own production company, BioGaia Production, is actively working to minimize the use of packaging material. A prime example is our stretch film, which consists of 51 percent recycled plastic. In addition, our stretch film is fully recyclable, supporting more sustainable packaging practices. Additionally, we switched to paper-based tape at our production facilities, further improving the sustainability of our packaging processes.

4. Sustainability part of the product development projects and procurement process

In 2024, BioGaia further refined and implemented the sustainability checklist developed in 2022 across the organization. A comprehensive process for product development was established, incorporating key steps to evaluate both raw material selection and supplier sustainability at an early stage. This enhanced process empowers the product development team and project managers to take greater responsibility for ensuring strong sustainability performance throughout the development cycle.

For new projects, we have introduced a sustainability scorecard as part of the decision-making process. This approach ensures that sustainability considerations are integral to our product innovation strategy, driving continuous improvement in our environmental performance.

1) Container and lid excl. sticker and desiccant. This transition will take effect from March 24, 2025.





2) Mass balance is a chain-of-custody approach that allows for the tracking of certified raw materials through the production process. It ensures that certified and non-certified materials are mixed in a controlled way while maintaining a verifiable record of the sourced certified input.

3) The reduced environmental impact is based on BioGaia's own research and internal assessments.

4) The production of the wool is considered to have minimal environmental impact since the wool would otherwise have been discarded. The manufacturing process for the wool has very few steps and has a very low environmental impact.



■ Performance, metrics and targets

GOAL	TARGET YEAR	PROGRESS	STATUS
All paper packaging used in our production should be certified from responsibly managed forests or consist of verified recycled material.	2025	In the end of 2024, all BioGaia's contract manufacturers' paper packaging came from certified responsibly managed forests including paper box, shipper packaging and leaflet.	 Achieved
BioGaia aims to use recyclable or biodegradable packaging by 2030.	2030	According to plan this year, all our packaging solutions were evaluated for recyclability. Ongoing efforts to implement identified improvements.	 According to plan
BioGaia aims to identify new packaging solutions that reduce our climate impact per dose and prioritize packaging solutions that minimize environmental impact.	Recurring	A key milestone was reached in 2024 when we identified and decided that from 2025, the containers ¹ purchased for BioGaia Production will contain plastic certified according to ISCC's mass balance system, based on 100 percent bio-based raw material.	 Achieved
Sustainability aspects must be continuously evaluated in product development projects and when procuring packaging solutions.	Recurring	In 2024, sustainability was further detailed and implemented both in the process for product development and project management processes, with specific tools used and owned by each department.	 Achieved

Materials²

Materials used in tons	2024	2023	2022
Glass (tons)	185	225	258
Plastics – mainly PE (tons)	113	101	102
Paper (tons)	308	283	295
Aluminum (tons)	23	22	21

Recycled input materials used	2024	2023	2022
Recycled glass (tons)	108	126	130
Recycled glass (%)	58%	56%	50%

Emissions from packaging materials ³	2024	2023	2022
Emissions from the production of packaging materials (tons CO ₂ equivalents)	875	836	859
Emissions, including end-of-life and transport	1081	1025	1062
Grams CO ₂ equivalent per dose	1,2	1,2	1,2
Grams CO ₂ equivalent per dose, including end-of-life and transport	1,5	1,5	1,5

1) Container and lid excl. sticker and desiccant.

2) The data is based on sales. Waste generated during production is not included. Data includes primary and secondary packaging as well as packaging used in intermediate processes.

3) The calculated emissions include primary and secondary transport packaging. Additional packaging materials used in handling the products during shipment, such as pallets and stretch film, are not included due to insufficient available data. For further information about the emissions calculations, refer to the section "Environmental impact of operations" on page 133.



ESRS E5: Resource use and circular economy

– Sustainable raw
materials

■ Management of impacts, risks and opportunities

Our climate estimates show that the manufacturing of raw materials accounts for approximately 10 percent of BioGaia's total emissions. In addition, there are other potential negative impacts from the manufacturing process that are important considerations, such as deforestation, loss of biodiversity, human rights violations, and/or poor working conditions.

It is therefore imperative for BioGaia to select ingredients with a lower environmental impact and to carefully evaluate and set clear requirements for our suppliers and sub-suppliers of ingredients. BioGaia shall not use suppliers that disregard environmental impact or human rights.

Governance

BioGaia strives to improve our products from a sustainability perspective. Our ambition to integrate social and environmental considerations into product development is documented in BioGaia's internal Code of Conduct and Global Policies. BioGaia also has a process to avoid purchasing ingredients from suppliers who do not comply with our Code of Conduct, which includes demands for third-party sustainability assessments from manufacturers in high-risk countries (such as a SMETA audit via the SEDEX platform). For more information about how we ensure sustainable supplier management, see pages 96-98.


Phasing out of palm oil

The lifecycle assessment identified palm oil as the ingredient with the greatest negative impact on people, the climate and biodiversity. BioGaia is therefore making active efforts to phase out palm oil. Based on our 2019 sales figures and lifecycle data analysis conducted in 2020, the elimination of palm oil from our products is estimated to result in an annual reduction of more than 150 metric tons of CO₂e per year.

BioGaia already offers palm oil-free alternatives for all our products, and the rollout of these new variants is ongoing globally. However, phasing out recipes with palm oil takes time due to complex and varying regulatory environments in over 100 markets, where differing registration requirements, lengthy approval processes, and administrative handling by authorities lead to a slower product exchange process, factors largely outside of BioGaia's control. In addition, careful planning is required to avoid discarding fully functional products during the transition phase. While it is difficult to pinpoint the exact timing, it is our ambition that no product sold after 2025 should contain palm oil, though achieving this target may take longer than expected. Nevertheless, we are actively working with our distributors and navigating regulatory processes to accelerate this transition wherever possible.

In 2024, 47 percent (30) of drops and 68 percent (66) of all tablets BioGaia sold were free from palm oil. By the end of the year, all BioGaia's distribution partners have started the registration process for palm oil-free drops. For the palm oil used today, BioGaia purchases credits from RSPO (Roundtable on Sustainable Palm Oil)-certified independent smallholders in accordance with RSPO's Book and Claim system (B&C).

■ Performance, metrics and targets

GOAL	TARGET YEAR	PROGRESS	STATUS
100 percent of BioGaia products released for sale should be palm oil-free.	2025	The work to phase out palm oil in our products is progressing. In 2024, significant progress was made in reducing the amount of palm oil used in droplets. By the end of the year, all BioGaia's distribution partners have started the registration process for palm oil-free drops.	 <p>According to plan</p>

Climate emissions¹

Emissions from ingredients	2024	2023	2022	2021
Tons CO ₂ equivalents	776	745	850	744
Grams CO ₂ equivalent per dose	1.1	1.1	1.2	1.3

1) For further information about the emissions calculations, refer to the section "Environmental impact of operations" on page 75.

Status for phasing out palm oil in products²

Total sales of palm oil-free products during the year	2024	2023	2022
Amount of tablets sold without palm oil vs total tablets sold (%)	68%	66%	60%
Weight of palm oil as a percentage of total weight of sold drops	22%	33%	Not estimated
The amount of drops sold without palm oil vs total drops sold (%)	47%	30%	27%

2) For tablets: number of tablets without palm oil divided by the total number of tablets sold during the year; for drops: total volume (liters) sold without palm oil divided by the total amount of palm oil sold.

BioGaia currently has palm oil-free alternatives for all of our products and they are now being rolled out globally.

It is important for BioGaia to choose ingredients with a lower environmental impact.





Social – Healthy People

The contribution to better health for our consumers through safe and effective products is central to our purpose. The well-being of our employees, including those in our value chain, is fundamental for the success of our operations.

S1: Own workforce

Working conditions

Material topics

- Employee health and safety
- Training and skills development
- Work-life balance

Diversity and equal opportunities

S2: Workers in the value chain

Material topics

- Responsible third parties

S4: Consumers and end-users

Material topics

- Product quality and safety
- Communication with consumers and end-users
- Positive impact on transparent research and clinically proven effect




S1: Own Workforce

Working conditions

■ Materiality and approach

Our employees' well-being is essential to maintaining an attractive working environment and retaining talented people.

BioGaia is highly dependent on attracting talent to drive groundbreaking innovation. Therefore, our relationship with employees has been identified as one of our most important topics in the materiality assessment.



Our relationship with employees has been identified as one of our most important topics in the materiality assessment.



S1: Own Workforce

– Employee health and safety

■ Management of impacts, risks and opportunities

BioGaia strives to promote a physically and mentally supportive environment for our employees. This is important for their well-being and motivation, which in turn contributes to higher productivity and reduced costs for BioGaia. Our Work Environment Policy (Global People Policy) serves as the cornerstone of our efforts to foster a healthy workplace where everyone can thrive.

As part of our materiality assessment, we identified workplace stress and safety issues as potential risks for our employees' health and safety. While serious injuries are highly unlikely, workplace stress and incidents are more realistic concerns. Although not life-threatening, stress can have severe and long-lasting effects on employees' well-being and overall quality of life. Inadequate stress management can lead to long-term absenteeism, increased healthcare expenses, and reduced productivity. This risk is particularly significant in specialized roles, where employee turnover and prolonged absenteeism may disrupt and delay critical projects.

At BioGaia AB, health and safety governance is managed by the company's active and committed Safety Committee, which includes representatives from both employees and management. The Committee meets regularly to review safety measures, address potential risks, and ensure a safe, inclusive and supportive working environment.

Promote health

To ensure a healthy work environment with comprehensive measures to mitigate work-related stress, BioGaia AB offers a generous wellness contribution for health-promoting activities and provides access to regular medical examinations, with the most recent conducted in early 2024. To further enhance employee well-being, a variety of activities are organized to support mental well-being, strengthen the corporate culture and build a sense of community. Initiatives this year included the introduction of employee bicycles and a spring health challenge. Occupational health services are available as needed, and employees also have access to confidential, free-of-charge counseling services.

BioGaia AB also conducts routine assessments of the psychological and social work environment through anonymous pulse surveys, open manager-employee discussions and regular performance reviews. These measures help BioGaia identify potential challenges, ensuring a supportive and engaging workplace for all co-workers.

Our Work Environment Policy (Global People Policy) serves as the cornerstone of our efforts to foster a healthy workplace where everyone can thrive.

Employee safety

Systematic occupational safety and health work continued in 2024. During the year, we expanded our safety initiatives by offering CPR training and conducting comprehensive fire evacuation exercises, preparing employees for crises. For BioGaia, creating a safe and secure workplace is a fundamental responsibility.

Our vision is a workplace free from work-related ill health or occupational injuries.

Safety in production

Most of BioGaia's production takes place at BioGaia Production, where the risk of physical injury is higher compared to other parts of the organization. Accident risks may increase without proper training in the safe handling of chemicals and machinery. Additionally, repetitive physical work can lead to strain injuries. To mitigate these risks, BioGaia Production regularly invests in equipment designed to prevent injuries and implements task rotation to reduce physical strain. Safety routines include daily safety inspections and day-to-day monitoring and management of deviations. Health and safety representatives and the Safety Committee at BioGaia Production meet twice per year to discuss any incidents and accidents. No accidents were reported at BioGaia Production in 2024.

An audit of BioGaia Production was carried out in 2024 using the SMETA methodology. The results, shared through the SEDEX platform, confirmed that the company's health and safety procedures align with the industry best practices. Training employees in their duties and maintaining a safe working environment were emphasized as key management priorities.

Employees are offered the following health benefits, among others¹:


- Free of charge medical examinations every two years.
- Supplementary healthcare insurance and full salary from the first day of sick leave².
- Health and wellness contribution
- Counselling services as needed, for both personal and work-related issues.
- Enhanced insurance coverage during distance working.

1) These benefits are mainly offered to employees in Sweden. Local variations may exist for employees outside of Sweden

2) The majority of employees live in Sweden, where there is a comprehensive state-provided healthcare. The benefits BioGaia provides are in addition to the coverage.



■ Performance, metrics and targets

GOAL	TARGET YEAR	PROGRESS	STATUS
No physical injuries in the operation	Recurring	In 2024, one work-related incident resulting in sick leave was reported within the BioGaia Group. The incident occurred at the headquarters BioGaia AB, where an office employee fell and sustained an injury.	 According to plan

Outcome 2024

Sickness leave in 2024 decreased compared to 2023, from 1.6 percent to 1.2 percent. During the year, BioGaia recorded 1 (0) injury leading to absence (LTI). In connection with a water leakage at BioGaia AB's headquarters, an office employee slipped and sustained an injury, leading to a period of absence. The issue was addressed by temporarily closing the office for renovations, during which a new floor was installed.

Sick leave

Short and long-term sick leave	2024	2023	2022
BioGaia AB	1.2%	1.6%	2.0%
Men	0.4%	1.0%	2.2%
Women	1.7%	2.0%	1.6%

Work-related injuries¹

Work-related injuries across BioGaia Group	2024	2023	2022	2021
Number of lost time incidents (LTI ²)	1	0	0	0
Number of incidents per 1,000,000 working hours (LTIF ³)	4.1	0	0	0
Degree of seriousness (days of absence per LTI)	60	0	0	0

1) Number of incidents. BioGaia Group has never had a fatal accident.

2) Lost Time Incident (LTI) is an incident that results in loss of working hours.

3) Lost Time Incident Frequency (LTIF): $(LTI \times 1,000,000) / (\text{average number of employees} \times 2,080 \text{ hours})$.



S1: Own Workforce

– Training and skills development

■ Management of impacts, risks and opportunities

BioGaia is committed to ensuring that our employees have access to opportunities to develop their skills and receive appropriate training. Strategic decisions about training and development directly impact employees' career growth, skill building, and personal fulfillment. Limited professional development opportunities can reduce employee engagement and create skill gaps, affecting overall performance. However, investing in continuous learning enhances employees' skills, engagement, and innovation. If managed correctly, this investment becomes a strategic tool for retaining talent and maintaining a competitive edge.

At BioGaia AB, we provide our employees with targeted development activities and conduct annual performance reviews. These reviews establish clear and actionable targets for the coming year, including specific training needs and personal development goals.

Leadership and development activities


To support continuous professional growth, BioGaia AB conducts regular performance reviews to ensure a structured approach to development and evaluation. In 2024, actions were taken to improve the process of linking personal development goals with the business strategy. BioGaia AB also continued to offer open, voluntary training seminars on our products and scientific research. These one-hour sessions aimed to increase employees' understanding of the company's research as it relates to our products and other related relevant areas.

Employee surveys

During the year BioGaia AB continued utilizing an employee engagement survey tool. The tool's flexibility enables each department to define specific areas they want to explore and develop throughout the year. By allowing departments to set their own focus areas, engagement with the survey process increases, fostering a stronger commitment to acting on the results. In consultation with the department heads, HR developed a survey plan for the year and provided support in processing the results as needed.

In 2024, BioGaia conducted two company-wide employee surveys to measure KPIs and engagement. The results were shared during company-wide meetings and addressed at both strategic and operational levels. The company plans to continue conducting a joint survey at least once a year. The survey results confirm consistently high performance, with scores exceeding external benchmarks and a strong participation rate of 86 percent. BioGaia's employees rated the work environment at 79 (benchmark not available), engagement at 78 (benchmark 76), and eNPS at 26 (benchmark 14). Other interesting results include employees feeling respected (score 90, benchmark 85), receiving recognition from managers for significant accomplishments (score 89, benchmark 78), and feeling proud to work at BioGaia (score 78, benchmark 72). Additionally, 89 percent of employees agreed that BioGaia is moving in the right direction (benchmark 81).

■ Performance, metrics and targets

GOAL	TARGET YEAR	PROGRESS	STATUS
At least 90 percent of our employees should have completed a performance review.	Recurring	In 2024, we refined the questions used during development talks to better plan future training efforts and identify skill development needs. This improvement in the process will help create more focused development plans for our employees.	 According to plan

To support continuous professional growth, BioGaia AB conducts regular performance reviews to ensure a structured approach to development and evaluation.

Percentage of employees receiving regular performance and career development reviews

	2024			2023			2022			2021		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
BioGaia AB (total)	96% (117*)	100% (46)	92% (70)	96% (102)	95% (40)	97% (62)	96% (85)	97% (29)	95% (56)	92% (82)	90% (27)	93% (55)
Employees with permanent contracts	96% (115)	100% (46)	93% (69)	97% (102)	95% (40)	98% (62)	96% (85)	97% (29)	95% (56)	92% (82)	90% (27)	93% (55)
Employees with temporary contracts	50% (1)	0% (0)	50% (1)	0% (0)	0% (0)	0% (0)	– (0)	– (0)	– (0)	– (0)	– (0)	– (0)
Full-time employees	97% (112)	100% (44)	94% (68)	97% (101)	98% (39)	97% (62)	95% (84)	97% (29)	95% (55)	90% (80)	90% (26)	93% (54)
Part-time employees	67% (4)	100% (2)	50% (2)	50% (1)	50% (1)	0% (0)	100% (1)	– (0)	100% (1)	100% (2)	100% (1)	100% (1)

· All employees of BioGaia AB during the performance review period should have been offered a review. Some employees did not complete their performance review due to individual circumstances.

· The percentage is based on the number of employees offered a performance review during the period, compared with the number of employees who completed their performance review during the same period.

· Data in parentheses refers to the total number of employees who completed their performance review during the period.

· * 1 non-binary employee included.

S1: Own Workforce

– Work-life balance

■ Management of impacts, risks and opportunities

Maintaining work-life balance significantly influences the well-being of our employees. Excessive work demands or limited flexibility can negatively affect employees' health, family relationships, and personal time, creating challenges that extend into their broader social networks.

This risk is particularly relevant for employees with young children, a common demographic within the company.

At BioGaia, we recognize that supporting flexible work arrangements and promoting a culture that values work-life balance presents a business opportunity.

This approach enhances employee well-being and productivity, yielding financial benefits such as lower absenteeism and reduced staff turnover, while boosting overall performance and motivation.

Work flexibility

At BioGaia AB our hybrid work policy supports work-life balance by providing employees with the flexibility needed to manage both personal and professional commitments. Employees can work from home up to two days a week, depending on their role, with general flexibility encouraged throughout the organization. To support parents, meetings are encouraged to be scheduled between 9:00 AM and 4:00 PM, allowing time for preschool drop-offs and pick-ups. We also offer comprehensive parental leave benefits, ensuring employees feel supported during significant family milestones. This approach demonstrates our commitment to fostering a supportive and sustainable workplace culture.



■ Performance, metrics and targets

All Swedish employees have the option to supplement their parental leave compensation from the Swedish Social Insurance Agency with a parental allowance for up to six months.

Parental leave

Parental leave at BioGaia AB ¹	2024			2023		2022	
	Total	Men	Women	Men	Women	Men	Women
Number of employees entitled to parental leave	122	46	76	44	69	37	66
Number of employees who took parental leave	7	3	4	7	2	5	5
Number of employees who returned to work during the reporting period after parental leave, by gender	6	2	4	4	1	3	5
Number of employees who returned to work after parental leave and remained employed 12 months later	3	1	2	2	3	2	2
Retention rate for employees who took parental leave	60%	25%	200%	67%	60%	100%	33%

1) All employees with children under 12 years old have the right to parental leave.

Employee turnover

Employee turnover in 2024 amounted to 5.74 percent, reflecting a decrease compared to previous years (8.85 percent in 2023 and 9.7 percent in 2022). The change is attributed to, among other reasons, the recruitment of new skills to the company, as well as natural employee departures.

New employee hires and employee turnover

New employees ¹⁾	2024	2023	2022	2021
BioGaia AB	10	11	13	(17)
Men	30% (3)	27.3% (3)	77% (10)	76% (13)
Women	70% (7)	72.7% (8)	23% (3)	24% (4)
<30 years old (%)	0% (0)	36.0% (4)	8% (1)	12% (2)
30–50 years old (%)	50% (5)	36.0% (4)	77% (10)	65% (11)
>50 years old (%)	50% (5)	27.0% (3)	15% (2)	24% (4)

1) Numbers of new employees in parentheses.

Employee turnover ¹⁾	2024	2023	2022	2021
BioGaia AB	5.74% (6)	8.85% (10)	10% (10)	11.3% (11)
Men	0.96% (1)	1.77% (2)	8.7% (9)	3.0% (3)
Women	4.78% (5)	7.0% (8)	1% (1)	8.3% (8)
<30 years old (%)	0% (0)	2.65% (3)	0% (0)	0% (0)
30–50 years old (%)	3.83% (4)	3.54% (4)	6.8% (7)	3.0% (3)
>50 years old (%)	1.91% (2)	2.65% (3)	2.9% (3)	8.3% (8)

1) Numbers of employees in parentheses.



S1: Own Workforce – Materiality and approach

■ Materiality and approach

At BioGaia, we believe that diversity fosters a broader understanding of health and global needs, enabling us to better address the challenges of an interconnected world. The probiotic food supplement industry thrives on innovation, collaboration, and problem-solving, which are essential for tackling complex global health issues.

A lack of workplace diversity and equal opportunities can result in groupthink, reduced employee motivation, and a discriminatory culture.

Diverse teams bring unique perspectives and often outperform others.

This advantage is especially valuable in a dynamic and evolving industry like ours.

However, the impact of this topic at BioGaia is considered moderate. This assessment reflects the understanding that while diversity issues are important, they primarily influence employee well-being and workplace culture,

rather than posing immediate risks to physical safety or life. When managed effectively, diversity creates significant personal and professional benefits, including personal growth through exposure to different perspectives, expanded career opportunities, and higher job satisfaction.

■ Management of impacts, risks and opportunities

BioGaia takes pride in having employees with diverse backgrounds across the globe. A diverse and inclusive environment strengthens BioGaia's ability to attract top talent and drive innovation, helping the company maintain its competitive edge.

Work to combat discrimination

We are committed to being a gender-equal company with zero tolerance for any form of discrimination¹, bullying, retaliation or harassment. BioGaia's Diversity policy is grounded in Swedish anti-discrimination legislation. Employees have access to a confidential and anonymous whistleblower function to report incidents, ensuring a safe and inclusive working environment.

In 2024, we expanded our action plan against discrimination into a Global Action Plan covering the entire Group. This plan outlines active measures to combat discrimination and promote equality. Key developments during 2024 included the introduction of a new salary directive to enhance transparency in salary structures and remuneration. These measures are continuously refined and integrated into daily operations to support a diverse and equitable workplace. Payroll mapping conducted in 2023 revealed minimal or no pay differences related to discrimination criteria.

1) Grounds for discrimination include gender, gender identity or expression, ethnicity, religion or other belief system, functional impairment, sexual orientation and age.

2) Allbright Foundation is a Swedish politically independent, non-profit foundation that promotes equality and diversity at the executive business level in Sweden.

In 2024, BioGaia was once again included on Allbright's green list² recognizing our efforts to achieve and sustain a balanced gender representation within management positions.

ALLBRIGHT

■ Performance, metrics and targets

Employees

Gender distribution - Average number of employees	2024			2023			2022		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
BioGaia group	217	96	121	213	91	122	212	88	124
BioGaia AB ¹	106	40	66	113	43	70	103	37	66
Subsidiaries									
Sweden	35	26	9	31	20	11	44	27	17
Japan	35	15	20	35	14	21	35	14	21
US	31	11	20	28	10	18	26	8	18
Finland	3	0	3	2	0	2	2	0	2
Canada	4	2	2	3	2	1	1	1	0
UK	2	1	1	1	1	0	1	1	0
Australia	2	1	1	=	=	=	=	=	=

¹⁾ BioGaia AB has employees working at rented offices in various parts of the world who are directly employed by BioGaia AB. These employees are included in the total employee count for BioGaia AB and are located in the Mexico (1), Singapore (3), and South Africa (1).

BioGaia AB - headcount at year-end per employment type	2024			2023			2022			2021		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total employees at end of year	122	46	76	135	44	69	109	41	68	99	32	67
Employees with permanent contracts	120	46	74	112	44	68	108	41	67	98	32	66
Employees with temporary contracts	2	0	2	1	1	0	1	0	1	1	0	1
Full-time employees	116	44	72	111	42	69	108	41	67	97	31	66
Part-time employees	6	2	4	2	2	0	1	0	1	2	1	1

Number of employees at year-end by country (headcount)	2024	2023	2022	2021
Sweden	143	135	142	131
Japan	35	35	35	28
US	32	29	26	2
UK	2	1	1	2
Singapore	3	3	3	3
Finland	3	2	2	1
Mexico	1	1	1	-
Canada	4	3	1	-
Australia and New Zealand	2	-	-	-

Diversity of governance bodies and employees

Age distribution	2024		2023		2022		2021	
	Board of Directors	Executive Management	Board of Directors	Executive Management	Board of Directors	Executive Management	Board of Directors	Executive Management
BioGaia AB – total	8	8	8	8	9	8	9	10
<30 years of age	0	0	0	0	0	0	0	0
30–50 years of age	3	3	3	3	4	3	4	5
>50 years of age	5	5	5	5	5	5	5	5

Gender distribution	2024		2023		2022		2021	
	Men	Women	Men	Women	Men	Women	Men	Women
BioGaia AB – Board	50%	50%	50%	50%	67%	33%	67%	33%
BioGaia AB – Executive Management	50%	50%	50%	50%	50%	50%	60%	40%
BioGaia AB – all employees	39%	61%	38%	62%	37%	63%	32%	68%
BioGaia Group	44%	56%	43%	57%	41%	59%	40%	60%



S2: Workers in the value chain

– Responsible third parties

■ Materiality and approach

It is important to take action to promote a more sustainable value chain, as the greatest impact often occurs beyond the boundaries of our company.

By setting clear requirements, monitoring these requirements, and maintaining a close and productive partnership with our suppliers and distributors throughout the value chain, we can contribute to sustainable development and reduce the risks of disruptions in the value chain.

Poor labor practices within the supply chain can adversely affect employees' health, safety, and rights across all operational stages. While some of BioGaia's production is carried out by contract manufacturers, overseeing business practices in these facilities can be more challenging compared to in-house production.

The risk of labor rights violations in the supply chain such as trafficking, child labor, and forced labor, is mitigated by BioGaia operating in regions with strong labor regulations and collaborating with reputable suppliers. While the global nature of the supply chain justifies the high materiality rating assigned to this issue, the likelihood of incidents is considered low, though the potential impact could be significant if they were to occur.

■ Management of impacts, risks and opportunities

Governance

BioGaia is committed to ensuring that all suppliers and partners adhere to standards of business conduct aligned with our values. This includes compliance with applicable laws, regulations, and international agreements on human rights and decent working conditions based on internationally recognized labor standards (e.g., the ILO), as well as anti-bribery and corruption laws with global reach such as the U.K. Bribery Act and the U.S. Foreign Corrupt Practices Act. BioGaia maintains a zero-tolerance policy for child or forced labor as well as corruption and bribery. All third parties must respect employees' rights to form and join trade unions of their choice and at a minimum comply with applicable laws, industry standards, and regulations concerning working hours and minimum wages. All distribution partners must undergo business integrity and anti-corruption due diligence prior to appointment and must sign the Partner Code of Conduct.

BioGaia's Code of Conduct for suppliers and Partner Code of Conduct for distribution partners outline these expectations and are included in all contracts with suppliers and distribution partners. By the end of 2024, 100 percent of BioGaia's ingredient and analytical service suppliers and all distribution partners had signed the Code of Conduct or submitted an equivalent version. Starting in 2024, BioGaia's procurement team began monitoring that all suppliers exceeding a defined financial threshold sign the Code of Conduct.

We have also established transparent mechanisms for reporting potential violations of the Code of Conduct or our global policies, including a confidential whistleblower system. These channels empower workers across the value chain to raise concerns safely and without fear of retaliation. No incidents from suppliers or distribution partners were reported in 2024. For more information on protection of whistleblowers see page 114.

Responsible suppliers

BioGaia collaborates with a select group of suppliers, primarily based in Europe and North America. We have maintained business relationships with several of our key suppliers since the early 2000s. We believe that these long-term and close relationships provide us with the best opportunity to actively influence and improve our suppliers' sustainability programs. It also helps us to effectively mitigate sustainability risks along our supply chain.

BioGaia requires suppliers operating in high-risk regions, sensitive industries, or those considered critical, to provide evidence of third-party sustainability audits based on recognized standards such as SMETA, BSCI, EcoVadis, Fairtrade, or FSC. As part of this process, BioGaia uses its SEDEX membership as a tool to securely check whether suppliers have conducted such audits and to review their

labor rights, business ethics, and environmental performance. The Sustainability Manager and Procurement team assess these results and address any identified issues or risks.

Responsible partners

If a distributor's operations do not meet BioGaia's expectations, it could damage BioGaia's brand and trust. To mitigate this risk, BioGaia conducts business ethics and anti-bribery and corruption due diligence of potential distribution partners through a third-party supplier. In 2024, four such assessments were conducted to ensure compliance with BioGaia's standards.

Due to Russia's invasion of Ukraine, BioGaia suspended exports to distributors in Russia and Belarus in 2022, a policy still in effect at the end of 2024.

BioGaia is committed to ensuring that all suppliers and partners adhere to standards of business conduct aligned with our values.

■ Performance, metrics and targets

Sustainability Certification and Ratings

By the end of 2024, all contract manufacturers were based in Europe and North America. According to SEDEX risk assessments, the major contract manufacturers demonstrated low location-specific and inherent risks. 75 percent of contract manufacturers underwent third-party audits, while all completed SEDEX's self-assessment questionnaire.¹

Our direct ingredient suppliers demonstrate good performance in sustainability management, as evidenced by their EcoVadis assessment results. Approximately 70 percent of these suppliers have achieved Platinum certification, placing them in the top 1 percent of all companies assessed by EcoVadis and the remaining 30 percent have secured a Silver certification. These results provide us with assurance that our ingredient suppliers demonstrate a robust commitment to sustainable practices and management of worker-related issues.

In 2024, BioGaia also assessed risk among its second-tier suppliers of packaging and ingredients. All suppliers are considered low to medium risk based on industry category and location, except for one smaller actor that is under investigation.

¹) A smaller, newly onboarded contract manufacturer in Sweden has not yet been assessed in a SEDEX platform.

Key suppliers that have signed the Code of Conduct¹

	2024	2023	2022	2021
Contract manufacturers and culture suppliers	100%	100%	100%	100%
Analytical services	100%	100%	100%	100%

¹) No new contract manufacturers, culture suppliers or analytical services were added during the year. BioGaia does not have data for how many new suppliers in addition to these have signed the Code of Conduct but is developing a process for this.

Suppliers with third-party verified sustainability assessment¹

	2024	2023
% suppliers of input goods to BioGaia AB	71%	75%
% new supplier or sub-suppliers of raw materials (packaging or ingredients) in high-risk countries	NA ²	100%

¹) Approved audit means an audit by/in accordance with BSCI, EcoVadis, SEDEX, SMETA, etc. or certification such as FSC, EU-Ecolabel, Fairtrade.

²) No new suppliers of ingredients from high-risk regions have been introduced during the year.

Distributors that have signed the partner Code of Conduct

	2024	2023	2022	2021
Distribution partners that have signed the Code of Conduct during the year	100%	100%	98%	97%
New distribution partners in high-risk countries assessed for legal risks and risks related to business ethics	100% (4)	100% (4)	100%	–

¹) No new contract manufacturers, culture suppliers or analytical services were added during the year.

S4: Consumers and end-users

– Product quality
and safety

■ Materiality and approach

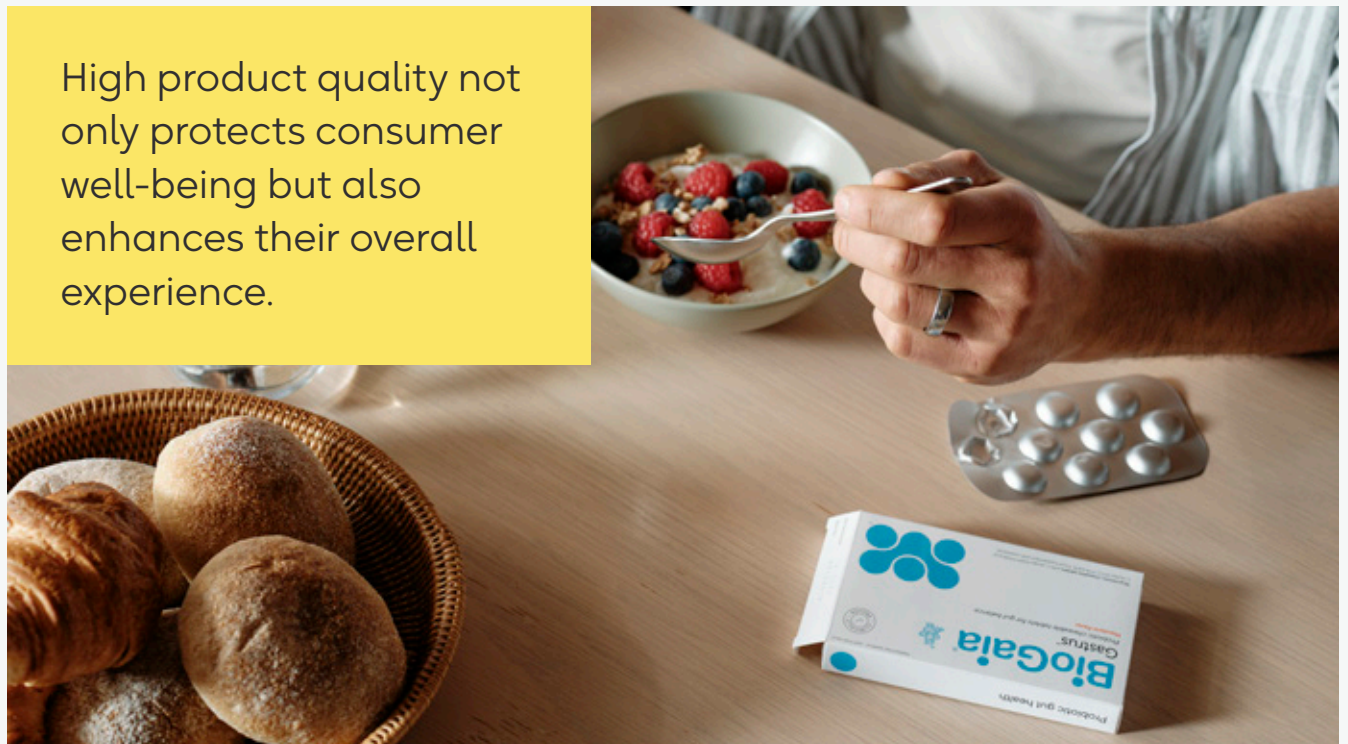
Ensuring the quality and safety of BioGaia's products is a top priority, as the opposite poses a significant risk to consumer health. High product quality not only protects consumer well-being but also enhances their overall experience. BioGaia achieves this through rigorous scientific research that validates the effectiveness of our products and a consistent, high-standard production process.

BioGaia maintains direct control over product quality during manufacturing and through direct sales via our e-commerce platforms. For products distributed by

partners, BioGaia exercises indirect control by monitoring quality standards after delivery to distributors and resellers, ensuring quality compliance throughout the supply chain.

As a probiotic food supplement company, product safety is a critical focus. Failure to meet safety standards could lead to recalls, legal consequences, and reputational damage. To mitigate these risks, BioGaia implements robust quality control processes, ensuring the highest safety standards are consistently met.

High product quality not only protects consumer well-being but also enhances their overall experience.



■ Management of impacts, risks and opportunities

All BioGaia products developed by BioGaia comply with our stringent quality requirements as defined in the BioGaia Quality Standard (BQS). This standard incorporates relevant laws and regulations, including the EU's food regulations, good manufacturing practices for food supplements, and technical criteria, including those established by WHO and ISAPP (International Scientific Association for Probiotics and Prebiotics) for probiotic products. Details on how BioGaia's products meet ISAPP criteria can be found in the table "Criteria for Probiotics and BioGaia's Assessment of Level of Compliance" on page 101.

Product development

BioGaia's product development team follows a structured process to ensure that each product contains a dose that has been clinically tested, addresses consumer needs, and meets our quality, environmental, and sustainability standards. This includes careful selection of ingredients, packaging materials, and adherence to the quality requirements (BioGaia Quality Standard). Products are only released to the market once the criteria have been fulfilled. Legislative changes and new scientific findings are continuously monitored to adjust and improve existing products when needed.

Quality Management System

BioGaia's Quality Management System ensures adherence to its Quality Standards through robust product safety protocols, including HACCP (Hazard Analysis and Critical Control Points). This systematic, preventive approach to food safety involves analyzing the processes for potential biological, chemical, allergen, and physical hazards. Critical points are managed through control measures, testing, and ongoing monitoring to maintain the highest product quality and safety.

Quality Control

To ensure consistently high product standards, regular

production controls are conducted both at contract manufacturers and at BioGaia's own production facility, BioGaia Production, following standardized processes and protocols. These controls include raw material inspections for each batch before approval for production, monitoring of quality parameters during manufacturing, and analysis of finished products. Quality and safety checks are performed by expert personnel. Any identified non-conformances, complaints, or quality issues are thoroughly reviewed and addressed as needed.

Each finished product batch is tested against applicable requirements to verify its suitability for intended use. This includes analyzing the quantity of probiotic bacteria and tests to confirm that the product is not contaminated with objectionable contaminants. The analyses are either performed by BioGaia's in-house laboratories or by qualified third parties. All non-conformances are managed and investigated using a standardized methodology to ensure that only safe products are released into the market. The investigations include examinations of the causes of problems and identifying measures to prevent the recurrence of similar problems. The quality status of products and the effectiveness of the Quality Management System are regularly reviewed. Findings are presented to the Executive Team to identify and decide on possible improvement measures.

Permits and certifications

All BioGaia products are manufactured in facilities with certified Quality Management Systems. BioGaia Production, owned by the Parent Company BioGaia AB, and the contract manufacturers are authorized to produce food products and certified by independent third parties according to relevant Good Manufacturing Practice (GMP) standards. Certifications include ISO 22000, US FDA 21 CFR Part 111 (GMP for dietary supplements), and/or GMP for

pharmaceuticals. This ensures that contract manufacturers' compliance with quality standards is regularly verified by an independent party or authority. In 2024, BioGaia AB achieved HACCP certification following a successful third-party audit, reinforcing its commitment to stringent food safety management.

Certification program of contract manufacturers and suppliers

BioGaia's Quality Management System includes a structured program for approving, monitoring, and regularly evaluating contract manufacturers and suppliers. This includes contract laboratories and warehouses. Suppliers are qualified, audited, and monitored to ensure ongoing compliance with BioGaia's quality requirements. In 2024, on-site audits were conducted at three contract manufacturers, one contract laboratory, and one contract warehouse. In addition to these audits, BioGaia systematically followed up on supplier performance, held regular quality-focused dialogues, and ensured that contractual agreements were properly enforced. Formal quality meetings were also conducted with four contract manufacturers during the year to strengthen quality collaboration.

Supplier training

Since contract manufacturers use a Quality Management System, their personnel receive continuous training in quality issues, and processes are in place to qualify their subcontractors. This ensures that BioGaia's subcontractors also maintain a high standard in their quality work. In addition, BioGaia's contract manufacturers are trained in our product quality requirements during the drafting or updating of documents such as quality agreements and contractual specifications, and in connection with audits and formal quality meetings.

■ Performance, metrics and targets

Goals

Since 2023, BioGaia has set a target that 100 percent of our contract manufacturers and quality-impacting suppliers should have a certified Quality Management System. Suppliers with such certifications can verify that an external party has objectively reviewed their operations against quality standards. This requirement has long been in place for contract manufacturers, who are considered the most critical suppliers. All contract manufacturers are third-party certified.

To further raise standards and increase the proportion of third-party certified suppliers, BioGaia has established a clear goal and metric. This supports regular follow-up and evaluation of the certification status of all suppliers that influence quality.

KPI's for quality-influencing suppliers for 2024 (2023 data in brackets)

Quality-impacting suppliers	Certified Quality Management System ^{1,2,3}	Qualified and approved	Regular quality inspection and/or requalification ⁴
Contract manufacturers	100 (100)%	100 (100)%	100 (100)%
Ingredient suppliers (29 in total) (including subcontractor)	97 (87)%	100 (100)%	100 (100)%
Primary packaging material suppliers (11 in total) (including subcontractor)	82 (80)%	100 (100)%	100 (100)%
Transport suppliers (5 in total)	80 (80)%	100 (100)%	100 (100)%
Contract warehouses (5 in total)	60 (60)%	100 (100)%	100 (100)%
Contract laboratories (13 in total)	92 (92)%	100 (100)%	100 (100)%

1) Quality Management System, in accordance with Good Manufacturing Practice for food, food supplements or pharmaceuticals or ISO 22000, certified by an authority or a third party.

2) A certified Quality Management System guarantees that employees receive training in quality.

3) A certified Quality Management System also ensures that the subcontractor is qualified and approved.

4) Quality inspections are carried out by BioGaia within three years for contract manufacturers, critical ingredient suppliers and critical contract laboratories. For subcontractors of ingredients, primary packaging, transport providers and contract warehouses, quality inspections are carried out at a risk-based frequency, either on-premises or through a documentation review.



Criteria for probiotics and BioGaia's assessment of level of compliance

	ISAPP's criteria	BioGaia's fulfillment of criteria
●	Backed by science	BioGaia's products are well-documented. More than 250 articles have been published based on clinical studies with BioGaia's strains. ¹
●	Provides an effective dose	BioGaia always uses the same and adequate quantity of bacteria per dose in products as has been used in clinical studies.
●	Provides the benefit I'm seeking	BioGaia's probiotic strains have been studied for several different conditions, such as colic, functional abdominal pain, constipation, side effects of antibiotics, diarrhea and to prevent infection.
●	It's safe for me	All BioGaia's strains have Qualified Presumption of Safety (QPS) status. For more information, see EFSA ¹ . Safety for BioGaia's strains has been the subject of more than 30 studies. ²
●	Names of the microbes	BioGaia always states the bacteria's genus, species and strain on the package, in scientific contexts and in market communication.
●	CFU	BioGaia guarantees the quantity of live organisms (CFU content ³) per dose at the expiration date for all products.
●	Suggested dose or serving size	BioGaia always states the suggested dose on the package.
●	Proper storage conditions	BioGaia always specifies how the product should be stored.
●	Company contact information	Contact information is always on the package.

● Fully met ● Partially met ● Not met

1) EFSA, the European Food Safety Authority, is an agency with the primary purpose of advising legislators in the European Union on matters relating to food safety.

2) A safety study is a clinical study that evaluates the potential risks of consuming a product.

3) CFU = Colony Forming Units.

Audits of BioGaia

In 2024, two external audits were conducted on BioGaia’s Quality Management System, including the HACCP certification audit and a customer audit. Both audits had successful outcomes, with mitigating actions implemented or planned for the identified findings.

BioGaia’s subsidiary, BioGaia Production, was audited in 2024 by an external party to renew its certificate for Good Manufacturing Practice for food supplements under 21 CFR Part 111. The audit resulted in no findings, and a renewed certificate was obtained. A customer audit and an authority audit were also conducted, both resulting in no findings. Additionally, a SMETA audit was carried out with successful results.

Recalls

There were no recalls in 2024. BioGaia maintains an established recall management system, which is tested annually with each contract manufacturer. The test involves retrieving documentation from a specific product batch as quickly as possible to ensure that relevant parties in the supply chain are prepared in case of a recall.

Coworker training


As part of BioGaia’s introduction program, all new hires receive training in quality standards and gain knowledge about the company’s products and their effects. Regular quality training, along with specialized training when specific needs arise, is provided to employees in roles that impact product quality.

In 2024, BioGaia intensified efforts to ensure that quality training was not only conducted but also properly documented. Additionally, a specific training program was implemented following a reorganization.

Progress and priorities going forward

Throughout the past year, BioGaia has actively worked on implementing and monitoring improvements within our Quality Management System. A key focus during the year was preparing for the HACCP certification audit and preparing for a new quality errand management system set to be implemented in 2025.

Additionally, improvements were made to selected processes impacting quality, along with an optimized program for food safety monitoring. In 2025, further efforts will focus on preparing for the implementation of a new document management system.

GOAL	TARGET YEAR	PROGRESS	STATUS
100 percent of the suppliers that affect product quality should have a Quality Management System certified by a third party.	Recurring	100 percent of BioGaia’s key suppliers (contract manufacturers) and 89 percent of other quality-influencing suppliers have third-party certified Quality Management Systems. 100 percent are qualified, and critical suppliers undergo regular inspections.	<div> Achieved</div>

S4: Consumers and end-users

– Communication with
consumers and end-users

■ Management of impacts, risks and opportunities

Communication with stakeholders is crucial to achieving BioGaia's vision of becoming the most trusted probiotic brand in the world. Clear and accurate marketing builds customer confidence and credibility, fostering customer loyalty. Mismanagement of communication could result in legal consequences, regulatory scrutiny, and reputational harm.

Extensive research and product validation are central to BioGaia's operations, supporting claims with robust scientific evidence. BioGaia's Board has adopted a global Communication Policy, requiring the company's communication to be truthful, accurate, clear, distinguishable, and balanced.

To further specify how communication is managed, the company's Executive Management has adopted a Marketing Directive. This directive provides internal instructions on how BioGaia AB and its subsidiaries communicate about BioGaia and our products. It includes guidelines for publishing in various channels and has been communicated to all employees. Mandatory training is regularly conducted for employees involved in creating marketing materials to ensure compliance with the policy and directive.

To ensure responsible marketing by distributors, BioGaia includes specific requirements in all distribution agreements. Distributors must only use claims supported by clinical study results and comply with the legal standards of the countries where the products are marketed.

For further information about BioGaia's relationship with distributors, see page 118

**Extensive research
and product validation
are central to BioGaia's
operations, supporting
claims with robust
scientific evidence.**

Coherent rules

The opportunity to communicate about probiotics remains limited in the EU, where the term "probiotic" is not permitted in consumer-facing communication. This is because the European Food Safety Authority (EFSA) has not approved any health claims for specific probiotic strains, meaning the European Commission considers "probiotic" a health claim. However, certain countries, including Denmark and the Netherlands (2021) and more recently France (2023), have introduced national guidelines allowing "probiotic" as a mandatory category name for food supplements.

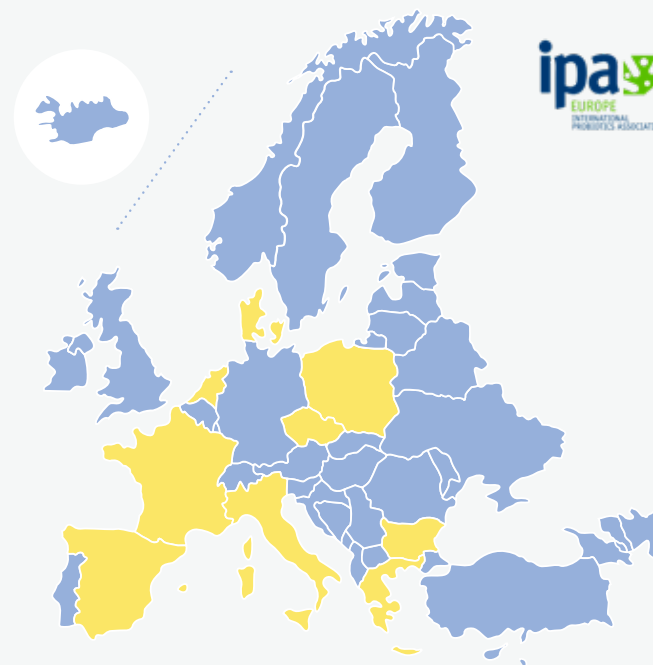
We believe that a unified regulatory system for marketing probiotics – where key product information is allowed – can encourage responsible and fair marketing, enabling consumers to make better-informed decisions. Without such regulation, consumers risk being exposed to information about products lacking clinical validation, while proven products might be overlooked due to communication restrictions.

To support a harmonized legal status for probiotics in the EU, BioGaia actively participates in the International Probiotics Association (IPA).

The IPA is a non-profit organization representing probiotics worldwide. Through initiatives such as webinars and published statements on responsible probiotic use, the IPA encourages dialogue with the European Commission to promote clearer regulations.

BioGaia is also involved with the International Scientific Association for Probiotics and Prebiotics (ISAPP), a non-profit organization that advances probiotic and prebiotic science. Founded in 2002, ISAPP brings together global scientific experts and establishes scientific standards for studying probiotics and prebiotics. We are members of the ISAPP as an industry partner and participate actively in their scientific meetings. The organization promotes scientific integrity and transparency, emphasizing that advances in probiotics should be driven by rigorous scientific research and evidence-based communication.

BioGaia follows ISAPP's criteria for probiotic products, further detailed in the table on page 101.



Regulatory assessment regarding the use of the term probiotic in foods, beverages and food supplements


The countries in yellow allow the word "probiotic" on labels: Bulgaria, Czech Republic, Cyprus, Denmark, Greece, Italy, Malta, the Netherlands, Poland, Spain and France.

- With reference to nutritional/physiological effects or
- As the name of the category

The countries in blue are considering developing a national/European approach that can help better identify foods containing probiotic microorganisms.

■ Performance, metrics and targets

In 2024, 100 percent of all newly hired employees within the EU who are involved in consumer communication completed a mandatory review on the Marketing Directive. To maintain knowledge on the Marketing Directive, a mandatory refresher training will be offered annually to relevant co-workers, beginning in February 2025. Additionally, to further strengthen awareness of responsible marketing a new process for enabling discussions on regulatory matters was implemented in January 2024, with regular meetings held between marketing, regulatory and legal teams.

GOAL	TARGET YEAR	PROGRESS	STATUS
100 percent of the employees involved in communication with consumers and working within the EU should have undergone training focused on BioGaia’s marketing policies (Marketing Directive).	Recurring	During 2024, 100 percent (90) of newly hired co-workers in this area of responsibility have completed a mandatory review of the Marketing Directive.	 According to plan



S4: Consumers and end-users

– Positive impact on health (company specific topic)

■ Management of impacts, risks and opportunities

BioGaia's mission is to provide probiotics that are scientifically proven to promote health and well-being. We believe that our impact on health and well-being is the most crucial factor for our long-term success as a company. Our long-term strategic focus on research and development has enabled BioGaia to produce and sell probiotic products with clinically proven health benefits. Our efforts to provide information and training about probiotics to distribution partners, consumers, and healthcare professionals enhance understanding of probiotics' positive impact on health. Additionally, BioGaia's dedication to combating antibiotic resistance contributes to improved health worldwide.

In an industry where claims can often be made without substantial evidence, developing clinically proven products and providing evidence-based education represents a critical opportunity to differentiate and lead the market.

Health improvements through research

Our extensive number of completed and published studies distinguishes us from many competitors in the food supplement industry. By December 2024 we had completed and published approximately 270 clinical studies involving over 23,000 individuals. For a detailed overview of the research areas we focus on, please refer to page 42-45 in the annual report.

Every bacterial strain and strain combination used in BioGaia's products undergoes rigorous evaluation through both preclinical and clinical trials. BioGaia holds an extensive patent portfolio that protects its proprietary probiotic bacterial strains and their applications. Insights gained from our preclinical and clinical research pave the way for new innovations and additional patents.¹

Value creation for consumers

BioGaia's products are available in over 100 markets worldwide, and during the year, over 700 million doses were sold.² Combined with the results of our clinical studies, this volume illustrates the scale of our positive impact on human health in the intended target groups.

Value creation through research

A quality-of-life report on infant colic has been developed, summarizing existing research on its impacts. The report focuses on assessing the aggregated quality-of-life improvements linked to the use of BioGaia's probiotic products in treating infantile colic. The study concludes that "although infant colic has a natural course with the remission of symptoms over time, its prompt treatment with *L. reuteri* DSM 17938 presents the potential to reduce infants' crying time, improve maternal mental health, and enhance family functioning."

According to the findings, infants treated with *L. reuteri* DSM 17938 cried 21 percent less compared to those given a placebo,

amounting to 958 fewer minutes over 28 days. Mothers in the probiotic group reported lower mental distress, measured on the Edinburgh Postnatal Depression Scale (EPDS), with an average score of 5.6 compared to 8.1 in the placebo group (lower scores indicate better mental health). Additionally, family quality of life (QoL), measured on a scale from 0 to 10, was reported as 8.7 for the probiotic group versus 5.3 for the placebo group, indicating a significant improvement in overall family well-being.

The positive effects of *L. reuteri* DSM 17938 on reducing crying and fussing time in infant colic after 21 days has been validated by the scientific community with the publication of 15 meta-analysis.

¹) During the patent registration process, BioGaia's patent department carefully considers any potential negative health effects associated with the market exclusivity that a patent brings. The patents held by BioGaia for its probiotic products have been evaluated and deemed free of critical negative health impacts.

²) A dose refers to the recommended amount of the product for consumers to take on each occasion, with the dosage varying across different products. The yearly number of doses sold by BioGaia indicates the company's value creation, considering the positive health impact of each dose. However, this metric does not include factors like product reach and consumer compliance which also influence value creation. Additionally, product doses from products not carrying the BioGaia brand are not included in the calculated dose count. Furthermore, BioGaia directly supplies probiotic cultures to a limited number of business clients. In 2024, the volume of culture sold was estimated to enable approximately 500 million doses, as indicated by our customers. The number of doses from the sale of probiotic cultures differs from the doses in our finished products, which undergo processing to ensure that consumers can benefit from the health-promoting bacteria in the culture. Sales of cultures represent a minor part of BioGaia's total revenue.

BioGaia's efforts to combat antibiotic resistance

Antimicrobial resistance (AMR) is a major global health challenge, with bacterial antimicrobial resistance associated with nearly 5 million deaths in 2019, including 1.3 million being directly caused by bacterial antibiotic resistance, according to The Lancet.¹

A subsequent publication in 2024 projects that AMR-related deaths could rise to 8.22 million annually by 2050, emphasizing the need for urgent global action.² More about AMR's global impact can be found in the Trends section on page 25.

BioGaia's key contribution to combating AMR is its support for the Foundation to Prevent Antibiotic Resistance (PAR), established in 2017. Our financial contributions fund critical research and communication campaigns aimed at raising awareness. In 2024, we allocated 4.4 million SEK to the foundation. Further details about PAR are available in BioGaia's Community Engagement section on page 55.

Additionally, BioGaia highlights the preventive role of probiotics, which strengthen gut health and can reduce the side effects associated with antibiotics. During World AMR Awareness Week (WAAW) 2024, a WHO initiative, we raised awareness through multiple channels, targeting consumers, partners, media, and investors. Internally, the issue was addressed at an all-employee meeting, reinforcing AMR as a pressing healthcare concern.

This year's WAAW theme, "**Educate. Advocate. Act Now.**", aligns closely with our commitment to driving change. Through education, advocacy, and financial support, we remain dedicated to preserving the effectiveness of antibiotics by promoting better gut health through probiotics and supporting the global fight against antibiotic resistance.

¹) Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis. Murray, Christopher J L et al. The Lancet, Volume 399, Issue 10325, 629–655

²) Global burden of bacterial antimicrobial resistance 1990–2021: a systematic analysis with forecasts to 2050. Naghavi, Mohsen et al. The Lancet, Volume 404, Issue 10459, 1199–1226





S4: Consumers and end-users

- Transparent research and clinically proven effect

■ Management of impacts, risks and opportunities

Ensuring that our products have clinically proven effects is essential for contributing to better health. It is equally important that research is conducted transparently, independently, and ethically to guarantee reliable and trustworthy results. The scope of this responsibility is significant because well-executed, accurate research with transparent practices builds credibility and trust, influencing not only consumers but also regulatory bodies, health-care providers, and the scientific community.

Conducting rigorous, independent clinical research while upholding high transparency standards represents a significant opportunity through which BioGaia's commitment to excellence can strengthen our position as a leader in quality and integrity.

Conducting rigorous, independent clinical research while upholding high transparency standards represents a significant opportunity where BioGaia's commitment to excellence can strengthen its position as a leader in quality and integrity.

How work is conducted

Most of the research BioGaia is involved in is conducted in collaboration with universities in Europe, Asia, South America, and North America. The scope of these studies on BioGaia's products and bacterial strains varies, as does the company's level of involvement. Our participation ranges from conducting and sponsoring studies to supplying only the active product and its placebo without participating in the scientific decisions made by the hospitals and universities involved in the studies.

Regardless of the level of involvement, BioGaia requires adherence to the highest ethical standards in all studies. Researchers must comply with international and national legislation and follow the ethical principles of the Declaration of Helsinki for medical research.

BioGaia's ethical research policies are outlined in our internal Code of Conduct and specific requirements are detailed in research contracts. We encourage all research partners to follow the International Council for Harmonization of Good Clinical Practices (ICH-GCP), the global standard for ethical, scientific, and practical aspects of clinical research.

This includes obtaining local ethical approval before initiating projects, ensuring informed and voluntary written consent from participants, and respecting their right to withdraw at any time without affecting their access to follow-up investigations or future care.

■ Performance, metrics and targets



BioGaia consistently promotes transparency in research outcomes. Researchers are encouraged to register their studies on widely accessible platforms such as ClinicalTrials.gov, ensuring data availability and accessibility regardless of the study's outcome. For studies fully sponsored by BioGaia, registration on public websites is mandatory. Currently, all of BioGaia's fully sponsored studies are registered on such platforms.

Additionally, BioGaia strives to have all research submitted to peer-reviewed journals for potential publication in databases such as PubMed. This is important because well-conducted research that contributes to probiotic science is more likely to be recognized by reputable journals. Moreover, the peer-review process ensures independent critique, scientific quality and high standards prior to publication.

The total number of published clinical studies on BioGaia's probiotic strains at the end of the year

Product	Strain or strain combination	2024	2023	2022
Protectis	<i>L. reuteri</i> DSM 17938	178 ¹	174 ¹	172 ¹
Prodentis	<i>L. reuteri</i> DSM 17938 & <i>L. reuteri</i> ATCC PTA 5289	71	66	66
Pharax	<i>L. reuteri</i> DSM 17938 & <i>L. reuteri</i> ATCC PTA 5289	1	1	-
Gastrus	<i>L. reuteri</i> DSM 17938 & <i>L. reuteri</i> ATCC PTA 6475	1	8	8
Osfortis	<i>L. reuteri</i> ATCC PTA 6475	5	3	3
Colus ²	<i>L. reuteri</i> ATCC PTA 4659	3	2	2
Total number of articles		269	254	251

1) Including articles with the mother strain *L. reuteri* 55730
2) Not yet a commercial product

GOAL	TARGET YEAR	PROGRESS	STATUS
100 percent of all studies fully sponsored by BioGaia must be registered on a public website, such as ClinicalTrials.gov	Recurring	All clinical studies fully sponsored by BioGaia meet these criteria.	 According to plan
100 percent of BioGaia's dietary supplement products will consistently meet the WHO's and ISAPP's requirements to be recognized as probiotics.	Recurring	BioGaia assesses that all dietary supplement products meet ISAPP's requirements. For more information see page 101.	 According to plan

100%

All of our fully sponsored studies are registered on a public platform, ClinicalTrials.gov.

Governance – Healthy Business

Corporate governance is the foundation for how we conduct our business. A key condition for developing and selling healthy products is ensuring that our business operates in a sound and ethical manner.

G1: **Business conduct**

Material topics

- Corporate culture
- Protection of whistleblowers
- Anti-corruption and bribery
- Interactions with healthcare professionals





G1: Business conduct

■ Materiality and approach

Business conduct is a cornerstone of our operations. It underpins trust, ensures accountability, and ensures alignment with global sustainability and ethical standards.

To uphold strong business ethics, it is essential that coworkers are aware of, trained in, and comply with the company's Code of Conduct and Global Policies.

BioGaia's efforts to ensure that we operate our business with the highest ethical standards are considered to have a significant impact on the company's financial strength and our impact on society. This makes business conduct one of the our most material sustainability matters.

Form of governance

The Board of Directors has the ultimate responsibility for BioGaia's sustainability agenda and business conduct. The CEO reports regularly to the Board on the progress of the sustainability work. The Sustainability Committee has met four times during the year. The committee consists of representatives from across the organization, including a member of the Board of Directors, the CFO and the CEO. The committee is chaired by BioGaia's Sustainability Manager, who reports to the Chief Legal Officer who in turn reports to the Audit Committee on BioGaia's identified material topics. During 2024, the Committee focused on the overall sustainability strategy, updating targets for all material matters, providing information on future EU legislation and developing sustainability reporting with reference to the Corporate Sustainability Reporting Directive (CSRD), as well as continuous follow-up of stated targets and updating the Double Materiality Assessment made in 2022. More information on the company's governance is available in the Corporate Governance Report.

Governing documents

BioGaia's internal Code of Conduct and Global Policies outline general guidelines and policies that define how the company should operate while ensuring that sustainability is integrated into our business conduct. The company's Global Policies are reviewed and approved annually by the Board of Directors. BioGaia also has several directives that are approved by the CEO and/or Executive Management. It is mandatory for all new employees to review the company's Code of Conduct, policies and directives as part of their onboarding. As part of the anti-corruption training, employees are required to acknowledge that they have read and agree to comply with the Code of Conduct and the Anti-Corruption and Conflicts of Interest Policy. All policies and guidelines are available on BioGaia's intranet. In 2024, most of BioGaia's policies were reviewed and updated. During the year, the new Environmental Policy was also introduced, to further strengthen BioGaia's commitment to sustainable operations.

A reliable taxpayer

BioGaia strives to always conduct our activities according to commercial principles and avoid excessive focus on tax. We are careful to comply with tax legislation and practices in the markets in which it operates. The principle of responsible and transparent actions has been incorporated into the company's financial framework. The framework, which describes the BioGaia's financial guidelines, targets, rules and processes, is communicated to all companies in the Group.



G1: Business conduct

– Corporate Culture

■ Management of impacts, risks and opportunities

BioGaia is a value-driven company that works to actively incorporate the company's values into day-to-day operations. This also includes ethical business conduct. Coworkers are aware of, trained in, and comply with the company's Global Policies and Code of Conduct. As part of this commitment, the People Policy, which provides guidelines on employment practices, workplace conduct, and ethical behavior guides efforts across the Group. Through our values and corporate culture, BioGaia strives to engage and inspire our coworkers, enabling each individual to grow and perform at their best. This not only benefits our colleagues but also drives the success of the company.

A lack of focus on corporate culture can lead to disengaged employees, higher turnover, and potential legal or reputational issues if unethical behavior is allowed to continue. Corporate culture is crucial for maintaining a productive, ethical, and engaged workforce, especially in a diverse global business like BioGaia's. This risk is significant but manageable with the right leadership, a strong focus on business ethics, a robust compliance program, and employee engagement initiatives.

Through our values and corporate culture, BioGaia strives to engage and inspire our co-workers, enabling each individual to develop and perform at their best.

■ Performance, metrics and targets

BioGaia’s values


In 2024, BioGaia continued to work to keep our values alive and current.

Throughout the year, BioGaia continued to further strengthen our corporate culture through various joint activities at the offices. These activities included events closely linked to the company’s values such as employee health activities and charity events to support organizations that improve global health.

BioGaia has an established onboarding program for new employees, where a session is dedicated to communicating and reinforcing BioGaia’s values.

BioGaia’s three core values:



GOAL	TARGET YEAR	PROGRESS	STATUS
100 percent of all BioGaia employees and consultants that can be equated with employees should have completed training in the company’s Code of Conduct and policies.	2025	90 percent of the employees subject to the training requirement in 2024 have completed the training in the company’s Code of Conduct and policies, including anti-corruption training (equivalent to 48 percent of all employees in the Group).	 According to plan



G1: Business conduct

– Protection of whistleblowers

■ Management of impacts, risks and opportunities

At BioGaia, we promote a transparent and ethical work environment. In order to provide this, it is important that our employees have the means to report and communicate issues of concern.

It is also essential that everyone feels confident in their ability to raise concerns with management, helping to build a trustworthy and resilient organization.

Failure to protect whistleblowers can result in legal liability, employee dissatisfaction, and potential reputational damage. This is an important risk to manage, as it ensures compliance with legal requirements and helps maintain a transparent and ethical work environment.

Whistleblower function

BioGaia's whistleblower system, which is provided by an external party, allows employees and external stakeholders to anonymously report perceived deviations. The system is accessible through BioGaia's website and is available in Swedish, English, and Japanese. BioGaia's guidelines for the whistleblower function are communicated to employees on several different occasions, such as in connection with anti-corruption training, during policy training, and as part of the onboarding program for new employees.

The team responsible for managing reported incidents in the system includes the Chief Legal Officer, Head of HR, Sustainability Manager, and a representative from the Board of Directors. BioGaia complies with the EU Whistleblower Protection Directive.

■ Performance, metrics and targets

In 2024, one incident was reported to the whistleblower system, which was investigated and found to be inconclusive due to limited information. We always rely on the available legal framework and value, encourage, and promote an open dialogue and culture to ensure that our employees feel comfortable raising concerns.

BioGaia’s whistleblower system allows employees and external stakeholders to report perceived violations of our Code of Conduct or deviations from our business ethics principles anonymously, if they so wish.

GOAL	TARGET YEAR	PROGRESS	STATUS
Launch a campaign on the importance of openness and transparency to ensure a “speak-up culture”.	2024	The Code of Conduct and Global Policy training carried out in 2024 included a dedicated focus on the importance of a transparent speak up culture.	 Achieved



G1: Business conduct

– Anti-corruption and bribery

■ Management of impacts, risks and opportunities

The framework of business ethics includes how BioGaia acts to combat financial crime in all its forms, with a particular focus on the prevention of corruption. BioGaia takes a firm stance against corruption and works proactively to minimize related risks. It is important not only to contribute to a more sustainable and equitable society, but also to protect the company's reputation and financial strength. This is a critical risk that demands robust prevention and detection mechanisms at all levels of our operations.

Governance

BioGaia's products are sold in more than 100 countries, where the risk of corruption and bribery can vary. The main risks of corruption and bribery arise in connection with the sale of products through distributors, major purchases, and interactions with healthcare professionals. It is therefore essential that all employees are aware of the risks of bribery, corruption, and undue influence and are prepared to deal with potential issues. To guide and support employees in their anti-corruption efforts, BioGaia has an Anti-Bribery and Corruption Policy and a Conflict of Interest Policy. Our policies outline the company's definition of bribery, corruption, and conflict of interest. The policies also recommend appropriate behavior when these issues arise and describe how incidents should be reported.

Anti-corruption work is a top priority, and a member of executive management is responsible for ensuring that we work preventively in this area through an effective compliance program. The Board of Directors has the ultimate responsibility for risk management, including corruption and bribery risks, and for ensuring that the dedicated business ethics and anti-corruption program within the organization is effective.




Trainings

All new employees are required to review the Code of Conduct and all company policies and directives, including the Anti-Corruption Policy and the Conflicts of Interest Policy, as part of their onboarding process. Additionally, we offer anti-corruption training for our employees. This year, the anti-corruption training was included as part of the new training on the Code of Conduct and policies for all employees. The training ensures that the Code of Conduct and Global Policies are well-understood by all employees, using practical examples and typical risk patterns. The training emphasizes the importance of individual accountability in everyday decision making and the importance of maintaining a speak-up culture, encouraging employees to report issues to dedicated functions in the organization, or through BioGaia's whistleblower function for anonymous reporting, which plays a vital role in anti-corruption efforts.

■ Performance, metrics and targets

In 2024, we continued our work to provide specialized training to all employees in BioGaia AB, depending on their specific functions and job descriptions. The training sessions were based on our risk analysis and market exposure. In 2025, after BioGaia's risk analysis has been completed by an external partner, our Board of Directors will receive specific training.

During the year, no cases of suspected bribery or corruption were reported at BioGaia.

GOAL	TARGET YEAR	PROGRESS	STATUS
100 percent of employees within the group should have completed the digital anti-corruption training during their employment.	Recurring	90 percent of employees covered within the scope of 2024 have completed the training on the company's Code of Conduct and policies, including anti-corruption training (equivalent to 48% of all employees in the Group).	 According to plan
Conducted risk assessments against bribes and corruption in BioGaia's selected markets.	2025	A model for how the risk assessments should be conducted has been established and we will continue implementing it during 2025.	 According to plan
Develop a third-party program against bribes and corruption and ensure 100 percent new distributors or agents undergo due diligence and sign a commitment to comply with laws.	2024	All new distributors during the year have undergone due diligence and signed a compliance with laws undertaking.	 Achieved

Anti-corruption training of employees^{1,2}

Total number and percentage of employees who have received training in the company's Anti-Bribery and Anti-Corruption Policy by employee category

	2024 ³	2023	2022	2021
Total	84% (92)	99% (107)	96% (94)	97% (93)
Management team	100% (8)	100% (8)	100% (8)	100% (9)
Employees	83% (84)	98% (99)	96% (86)	96% (81)
BioGaia Group	48 % (106)	92% (122)	89% (116)	92% (119)
Management ⁴	81% (13)	88% (13)	89% (16)	100% (13)
Employees	45 % (93)	94% (109)	85% (100)	91% (106)

1) The figures in parentheses indicate the total number of individuals who have completed the training.

2) Employees who have been on leave or parental leave during the period have not been excluded.

3) Data for 2024 are not directly comparable with previous years, as the anti-corruption training is now included in the overall training on the Code of Conduct and policies for all employees. From 2024, employees in Japan and the US are also included, making comparisons with previous years misleading. In the 2023 data, the proportion of employees who had completed the digital anti-corruption training within the past two years was reported, whereas in the 2024 data, only the proportion who completed the new training during the current year is indicated.

4) Leadership roles within the BioGaia Group include the executive management team of BioGaia AB (8), as well as the CEOs of: BioGaia Production (1), BioGaia Pharma (1), BioGaia Finland (1), BioGaia UK (1), BioGaia Canada (1), BioGaia Australia & New Zealand (1), BioGaia USA (1), and BioGaia Japan (1), amounting to a total of 16 individuals.



G1: Business conduct

– Interactions with healthcare professionals

■ Management of impacts, risks and opportunities

BioGaia's relationship with healthcare professionals (HCPs) is based on two pillars: firstly, compliance with applicable laws and regulations while ensuring accuracy in all communications with them, governed by our Communication Policy and Marketing Directive; and secondly, maintaining integrity in our interactions by preventing corruption and undue influence, governed by our Anti-Corruption Policy. In cases where the relationship with HCPs is managed through our distribution partners, this is governed by our distribution agreements and our Code of Conduct for

suppliers and distributors.

Non-compliance or lack of transparency in these engagements could lead to legal and reputational risks as well as regulatory action, potentially impacting the company's ability to operate. Given the industry's sensitivity to ethical standards, this is an important risk that must be managed proactively.

BioGaia Academy: Responsible engagement with healthcare professionals

BioGaia ensures that its interactions with healthcare professionals are guided by transparency and scientific integrity. Established in 2018, the BioGaia Academy serves as a research-driven training platform aimed at pediatricians, dentists, and distribution partners. It supports knowledge sharing by providing clinical, evidence-based information on probiotics, ensuring that communication aligns with BioGaia's educational standards.

In 2024, BioGaia strengthened its educational initiatives by launching the BioGaia Academy Expert Program GI Health, focused on gastrointestinal health—a core therapeutic area. The program's first cohort of more than 20 gastroenterologists was selected through a defined process, with its inaugural session scheduled for early 2025.

In the UK, BioGaia partnered with The Health Professional Academy to deliver a CPD (Continuing Professional

Development) module on colic - which was accredited for midwives, pharmacists, general practitioners, and health visitors. To date, over 2,800 HCPs have completed the module, with recommendation rates increasing to 95 percent post-training. BioGaia's educational efforts in the UK have reached more than 500,000 HCPs with its content. In May 2024, BioGaia launched a Prodentis module focused on oral health, with over 1,000 completions and recommendation rates rising from 62 percent to 91 percent. These efforts were supported by BioGaia's presence at industry events such as the Royal College of Midwives Conference, the Primary Care Show, the Dentistry Show, and the Infant Allergy Conference.

In the US, BioGaia launched an educational platform designed to equip general practitioners, nurses, and pharmacists with the knowledge needed to make well-informed recommendations.

BioGaia remains committed to promoting responsible communication to end-consumers by expanding our educational efforts and fostering strong relationships with healthcare professionals.









■ Performance, metrics and targets

GOAL	TARGET YEAR	PROGRESS	STATUS
All BioGaia employees (and external sales consultants) in a customer-facing role should undergo more advanced training on combating bribery, corruption, and how to interact with healthcare professionals.	2024	An Anti-Corruption Policy has been implemented, focusing on ethical and compliant interactions with healthcare professionals. For progress, see the table on page 117.	 Achieved







A photograph of three young women with long, wavy blonde hair sitting on a large, flat rock by a river. They are seen from behind, looking out over a river towards a forested hillside. The woman on the left is wearing a denim jacket, the middle woman is wearing a plaid skirt, and the woman on the right is wearing a pink hoodie and a dark baseball cap. The scene is bathed in warm, golden light, suggesting late afternoon or early morning. The background shows a river with some driftwood, a sandy bank, and a dense forest of bare trees on a hillside under a clear sky.







Our sustainability goals

The tables on the upcoming pages provide a summary of progress and status regarding BioGaia's sustainability goals. These goals include the areas identified as priorities in the most recent materiality analysis from 2024.

GOAL	TARGET YEAR	PROGRESS	STATUS
Environment: Healthy planet			
Reduce Scope 1 & 2 emis-sions by 46 percent by 2030 from 2019 emission levels (Science Based Target).	2030 (base year 2019)	For the third year in a row, BioGaia achieved the science-based target for Scope 1 and 2. In 2024, Scope 1 and 2 emissions were 59 percent lower than in 2019, based on a market-based method.	 According to plan
Establishing a science-based supplier engagement target for Scope 3 to actively reduce emissions in the supply chain.	2024	Engagement with key suppliers has begun to support their progress in adopting climate emissions reduction targets. While discussions are ongoing, no new suppliers committed to the Science Based Targets in 2024.	 In progress
Reduce relative climate emissions per sales volume from business travel by 30 percent compared to 2019.	2025 (base year 2019)	In 2024, BioGaia achieved a 25 percent reduction in emissions per sales volume compared to 2019 but fell short of the target.	 In progress
All paper packaging used in our production should be certified from responsibly managed forests or consist of verified recycled material.	2025	In the end of 2024, all BioGaia's contract manufacturers' paper packaging came from certified responsibly managed forests including paper box, shipper packaging and leaflet.	 Achieved
BioGaia aims to use recyclable or biodegradable packaging by 2030.	2030	According to plan this year, all our packaging solutions were evaluated for recyclability. Ongoing efforts to implement identified improvements.	 According to plan
BioGaia aims to identify new packaging solutions that reduce our climate impact per dose and prioritize packaging solutions that minimize environmental impact.	Recurring	A key milestone was reached in 2024 when we identified and decided that from 2025, the containers' purchased for BioGaia Production will contain plastic certified according to ISCC's mass balance system, based on 100 percent bio-based raw material.	 Achieved
Sustainability aspects must be continuously evaluated in product development projects and when procuring packaging solutions.	Recurring	In 2024, sustainability was further detailed and implemented both in the process for product development and project management processes, with specific tools used and owned by each department.	 Achieved
100 percent of BioGaia products released for sale should be palm oil-free.	2025	The work to phase out palm oil in our products is progressing. In 2024, significant progress was made in reducing the amount of palm oil used in droplets.	 According to plan

1) Container and lid excl. sticker and desiccant.

GOAL	TARGET YEAR	PROGRESS	STATUS
Social: Healthy people			
No physical injuries in the operation.	Recurring	In 2024, one work-related incident resulting in sick leave was reported within the BioGaia Group. The incident occurred at the headquarters BioGaia AB, where an office employee fell and sustained an injury.	 According to plan
At least 90 percent of our employees should have completed a performance review.	Recurring	In 2024, we refined the questions used during development talks to better plan future training efforts and identify skill development needs. This improvement in the process will help create more focused development plans for our employees.	 According to plan
100 percent of the suppliers that affect product quality should have a Quality Management System certified by a third party.	Recurring	100 percent of BioGaia's key suppliers (contract manufacturers) and 89 percent of other quality-influencing suppliers have third-party certified Quality Management Systems. 100 percent are qualified, and critical suppliers undergo regular inspections.	 Achieved
100 percent of the employees involved in communication with consumers and working within the EU should have undergone training focused on BioGaia's marketing policies (Marketing Directive).	Recurring	During 2024, 100 percent (90) of newly hired co-workers in this area of responsibility have completed a mandatory review of the Marketing Directive.	 According to plan
100 percent of all studies fully sponsored by BioGaia must be registered on a public website, such as ClinicalTrials.gov	Recurring	All clinical studies fully sponsored by BioGaia meet these criteria.	 According to plan
100 percent of BioGaia's dietary supplement products will consistently meet the WHO's and ISAPP's requirements to be recognized as probiotics.	Recurring	BioGaia assesses that all dietary supplement products meet ISAPP's requirements. For more information see page 101.	 According to plan

GOAL	TARGET YEAR	PROGRESS	STATUS
Governance: Healthy business			
100 percent of all BioGaia employees and consultants that can be equated with employees should have completed training in the company's Code of Conduct and policies.	2025	90 percent of the employees subject to the training requirement in 2024 have completed the training in the company's Code of Conduct and policies, including anti-corruption training (equivalent to 48 percent of all employees in the Group).	 According to plan
Launch a campaign on the importance of openness and transparency to ensure a "speak-up culture".	2024	The Code of Conduct and Global Policy training carried out in 2024 included a dedicated focus on the importance of a transparent speak up culture.	 Achieved
100 percent of employees within the group should have completed the digital anti-corruption training during their employment.	Recurring	90 percent of the employees subject to the training requirement in 2024 have completed the training in the company's Code of Conduct and policies, including anti-corruption training (equivalent to 48 percent of all employees in the Group).	 According to plan
Conduct risk assessments against bribery and corruption in BioGaia's selected markets.	2025	A model for how the risk assessments should be conducted has been established and we will continue implementing it during 2025.	 According to plan
Develop a third-party program against bribery and corruption and ensure one hundred percent of new distributors or agents undergo due diligence and sign a commitment to comply with laws.	2024	All new distributors during the year have undergone due diligence and signed a compliance with laws undertaking.	 Achieved
All BioGaia employees (and external sales consultants) in a customer-facing role should undergo more advanced training on combating bribery, corruption, and how to interact with healthcare professionals.	2024	An Anti-Corruption Policy has been implemented, focusing on ethical and compliant interactions with healthcare professionals. For progress, see the table on page 117.	 Achieved

A warm, golden-hour photograph of a child walking barefoot on a wooden floor. The child is wearing a white t-shirt and olive green cargo pants. In the background, a woman is kneeling, watching the child. Large windows with orange curtains are visible, letting in bright sunlight that creates long shadows on the floor.

Non-material topics we address

Some topics, though not defined as material in BioGaia's materiality assessment, remain important to our sustainability efforts. This section outlines how we address these areas to promote responsible business practices and support long-term operational stability.

Water Use in the Value Chain

While water use is not a material issue for BioGaia's direct operations – given the minimal water consumption of our headquarters, sales offices, and the Eslöv production facility – it remains an important consideration in the upstream value chain.

The Eslöv site mainly uses water for cleaning at annual usage levels of 670 cubic meters, comparable to the annual consumption of three average Swedish households of four people, with all water safely treated and recovered by the municipal system. Moreover, the facility is located in a low-risk water area, as confirmed by the WWF Water Risk Filter. Despite this fact, BioGaia follows the policy that water usage should always be minimized, and cleaning in production uses only hot water thereby avoiding contamination of the water.

In the upstream value chain, water use can potentially be more relevant. BioGaia addresses this under its Sustainable Raw Materials and Responsible Third Parties topics by requiring suppliers to demonstrate robust environmental management practices. These are verified through audits and certifications such as SMETA, SEDEX and EcoVadis. According to estimates from our suppliers of the ingredient likely to be most water-intensive, culture, the total water consumption used to produce our products annually amounts to approximately 4 000 000 liters. Additionally, the facilities involved in producing this ingredient are located in a low-risk water area, as confirmed by the WWF Water Risk Filter.

Our probiotic products enhance microbial biodiversity in the human microbiome, promoting ecological and biological balance.

Biodiversity

With a headquarters in Sweden, sales offices worldwide, and a single 6,500-square-meter production facility for packing probiotic products, our operations have limited direct impacts on biodiversity. We do not significantly affect land-use change, resource depletion, species populations, or ecosystem degradation, aside from indirect climate-related impacts linked to our business activities.

We acknowledge indirect impacts from our value chain, including emissions from business travel and the sourcing of materials such as food oils, paper, plastic, and aluminum packaging. To mitigate our negative environmental impact, we have several initiatives aimed at preventing harm to biodiversity. BioGaia has developed palm oil-free alternatives for all products, and the rollout of these new variants is ongoing globally. Until then, any palm oil used is certified by the Roundtable on Sustainable Palm Oil (RSPO), and all paper comes from sustainably managed forests, contributing to biodiversity protection. We also evaluate new materials and suppliers based on sustainability criteria to ensure proper sustainability management and avoid those with large ecological footprints. For further information, read about our work on climate impact on pages 71-72, responsible third parties on pages 96-98, and resource use and circular economy on pages 78-83.

Furthermore, through the sale of our probiotic products, which utilize less commonly found bacterial strains (and in some cases almost lost ones), we contribute to enhancing microbial biodiversity within humans. By promoting a greater diversity of beneficial bacteria, our products have a positive impact on the biodiversity of the human microbiome, aligning with broader goals of fostering ecological and biological balance.

Good relationships with our suppliers

Although supplier management is not considered a material issue, it plays a vital role in maintaining BioGaia's supply chain stability and ensuring seamless operational processes. BioGaia relies on a limited number of key suppliers, many of whom are larger companies with significant bargaining power. Maintaining long-term, trust-based partnerships helps mitigate risks associated with supply chain disruptions.

Disruptions in supplier relationships, particularly due to payment delays, could impact both operational efficiency and BioGaia's reputation.

Fair payment practices, including adhering to agreed payment terms and avoiding unnecessary delays, are essential for maintaining these critical relationships and safeguard business continuity.

We prioritize an open and continuous dialogue with suppliers to build mutual trust and ensure stable collaboration. This approach supports a well-functioning supply chain and strengthens long-term partnerships that are critical to our success.

Animal Welfare

Balancing the need for scientific advancement with responsible research practices reflects BioGaia's commitment to ethical business conduct. While not classified as a material issue, BioGaia acknowledges that animal welfare remains an important ethical consideration.

All ingredients in BioGaia's products are plant-based, except for vitamin D, which is derived from sheep's wool. While BioGaia does not conduct animal trials directly, we may support specific research involving rodents, primarily to better understand the mechanisms by which bacterial strains interact with the immune system and impact physiology. In such cases, BioGaia requires that preclinical animal studies be scientifically justified and conducted in accordance with the internationally recognized 3Rs principles:

Replace, Reduce, and Refine. The 3Rs are also embedded in BioGaia's Code of Conduct and supplier agreements, ensuring ethical research practices across its value chain. This approach ensures that animal studies are minimized and, when necessary, carried out with the utmost consideration for animal welfare and scientific validity.

Secure Employment

While not classified as material, secure employment remains important for maintaining a motivated and resilient workforce, contributing to BioGaia's long-term operational stability. In Sweden, employment security concerns are relatively limited, reducing the risk of long-term unemployment. However, we acknowledge that factors such as potential organizational changes, temporary contracts, or management inconsistencies could create uncertainty. Despite this, most employees experience lower career disruption risks, enabling them to plan for the future with greater confidence.

Promoting job security through transparent communication and long-term career planning strengthens employee retention and organizational stability.

This strategic opportunity offers financial benefits by reducing turnover, lowering recruitment costs, and preserving institutional knowledge, leading to more consistent project outcomes. For detailed employee turnover data, see page 92.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in BioGaia AB (publ) corporate identity number 556380-8723

Engagement and responsibility

It is the board of directors that is responsible for the statutory sustainability report for the financial year January 1, 2024–December 31, 2024 on page 57–126 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12, The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, March 25, 2025
Deloitte AB

Jenny Holmgren
Authorized Public Accountant

The tables on the following pages are guided by the European Sustainability Reporting Standards (ESRS) and provide an overview of BioGaia's general disclosures and topical standards within environmental, social, and governance (ESG) matters.

BioGaia does not yet report fully in accordance with the CSRD but has chosen to establish a transitional index in preparation for upcoming requirements under applicable Swedish legislation at the time of the report's preparation.



Content index of ESRS disclosure requirements¹

Disclosure requirement	Page	Additional information
General disclosures²		
General basis for preparation of the sustainability statement	61	The sustainability statement and reported quantitative ESG data includes the parent company BioGaia AB and its subsidiaries within BioGaia group.
Disclosures in relation to specific circumstances	61	The report covers the whole BioGaia group but when data has not been available for all subsidiaries it is noted in the text or tables in the report.
The role of the administrative, management and supervisory bodies	62-63	The Board of Directors is ultimately responsible for the company's sustainability performance. The governance of BioGaia is conducted through the General Meeting of Shareholders via the Board and the CEO.
Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	62-63	Sustainability impacts, risks, and opportunities are continuously addressed, with the Sustainability Committee leading the work and convening four times a year to oversee progress.
Integration of sustainability-related performance in incentive schemes	62	Incentive programs linked to sustainability targets apply to members of the Executive Team and certain key employees (2024).
Statement on sustainability due diligence	62-63, 65-66, 111	
Risk management and internal controls over sustainability reporting	62-63	For more information see the corporate governance report.
Strategy, business model and value chain	18-20, 32-33, 68-69	
Interests and views of stakeholders	67	Stakeholder engagement
Material impacts, risks and opportunities and their interaction with strategy and business model	65-66, 68-69	Double materiality assessment and by specific thematic standard and identified IRO
Description of the process to identify and assess material impacts, risks and opportunities	65-66	Double materiality assessment
Disclosure requirements in ESRS covered by the undertaking's sustainability statement	66	

¹) The disclosures in this table are informed by the European Sustainability Reporting Standards (ESRS). This report serves as a transitional report, in which BioGaia references parts of the framework as preparation for upcoming legal requirements under current Swedish legislation. BioGaia does not yet report fully in accordance with the CSRD.

²) Guided by IRO-2 in the the ESRS standards for the company's sustainability reporting.

Environmental standards

	Disclosure requirement	Page	Additional information
E1 Climate change			
	Integration of sustainability-related performance in incentive schemes	62	Incentive programs linked to sustainability targets apply to certain members of the Executive Team and certain key employees (2024).
	Transition plan for climate change mitigation	63, 71	Environmental Policy (2024), Science-based climate target approved by SBTi for Scope 1 and 2. Transition plan according to CSRD under development.
	Material impacts, risks and opportunities, and their interaction with strategy and business model	65-66, 70-71	
	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	65-66	
	Policies related to climate change mitigation and adaptation	63-64	
	Actions and resources in relation to climate change policies	72-73, 76	Double materiality assessment
	Targets related to climate change mitigation and adaptation	72, 74, 77	Policies and Directives
	Energy consumption and mix	72	
	Gross scopes 1, 2, 3 and total GHG emissions	75	Excludes biogenic emissions as they are considered negligible or very small from the company's operations. Includes emissions from packaging materials and ingredients (company-specific disclosure 2023).
	GHG removals and GHG mitigation projects financed through carbon credits	56, 74	Funding for climate projects through the Climate Transformation Fund.
	Internal carbon pricing	74, 75	Internal carbon pricing (since 2022).
	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	66, 71	

E5 Resource use and circular economy

	Description of the process to identify and assess material resource use and circular economy-related impacts, risks and opportunities	65-66	Double materiality assessment
	Policies related to resource use and circular economy	63-64	Policies and Directives
	Actions and resources related to resource use and circular economy	59, 78-80, 82	Container packaging (container and lid, excluding sticker and desiccant, purchased for BioGaia Production) using ISCC-certified bio-based materials (mass balance approach).
	Targets related to resource use and circular economy	79-81, 83	
	Resource inflows	75, 81, 83	
	Resource outflows	75, 81, 83	
	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	66, 78	
BSD 1	Phase-out of palm oil in BioGaia's products	82-83	BioGaia specific disclosure
BSD 2	Emissions from packaging materials and ingredients	81, 83	BioGaia specific disclosure

Social standards

	Disclosure requirement	Page	Additional information
S1 Own workforce			
	Interests and views of stakeholders	67	Stakeholder engagement
	Material impacts, risks and opportunities and their interaction with strategy and business model	65-66, 84-85, 93	
	Policies related to own workforce	63-64	Policies and Directives
	Processes for engaging with own workers and workers' representatives about impacts	67, 89, 114-115	
	Processes to remediate negative impacts and channels for own workers to raise concerns	114-115	Employees are encouraged to actively highlight problems for their superiors, HR or Corporate Governance. BioGaia has also implemented a whistleblower service, where employees can anonymously report problems.
	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness and those actions	86-87, 89, 91, 94	
	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	88, 90, 92	
	Characteristics of the undertakings' employees	90, 92, 95	
	Characteristics of non-employee workers in the undertaking's own workforce	90, 95	
	Collective bargaining coverage and social dialogue	126	Our staff primarily work in regions with strong collective bargaining rights and strong protection for freedom of association and collective negotiations. All employees at BioGaia Production are covered by collective bargaining agreements.
	Diversity metrics	95	
	Adequate wages	92	Strong labor laws in Sweden and other operating countries ensure competitive and fair wages. Information about remuneration is presented in the remuneration report.
	Social protection	126	Strong labor laws in Sweden and other operating countries ensure secure employment and social protection.
	Persons with disabilities		Not applicable by Swedish law.
	Training and skills development metrics	89-90	
	Health and safety measures	86-88	
	Work-life balance metrics	91-92	
	Compensation metrics (pay gap and total compensation)		Information about compensation is available in the remuneration report.
	Incidents, complaints and severe human rights impacts	115	
	Disclosure requirement	Page	Additional information

S2 Workers in the value chain			
	Interests and views of stakeholders	67	Stakeholder engagement
	Material impacts, risks and opportunities and their interaction with strategy and business model	65-66, 96	
	Policies related to workers in the value chain	63-64	Policies and Directives
	Processes for engaging with workers in the value chain about impacts	67, 97	
	Processes to remediate negative impacts and channels for workers in the value chain to raise concerns	97, 114-115	Protection of whistleblowers
	Taking action on material impacts on workers in the value chain, and approaches to managing material risks and pursuing material opportunities related to workers in the value chain, and effectiveness of those actions	97, 98	
	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	98	
BSD 3	Proportion of suppliers that have signed the Supplier Code of Conduct	98	BioGaia specific disclosure
BSD 4	Proportion of partners that have signed the Partner Code of Conduct	98	BioGaia specific disclosure
S4 Consumers and end-users			
	Interests and views of stakeholders	67	
	Material impacts, risks and opportunities and their interaction with strategy and business model	65-66, 99	
	Policies related to consumers and end-users	63-64	Communication Policy and Marketing Directive
	Processes for engaging with consumers and end-users about impacts	67, 114	
	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	103, 114	
	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	100, 103-104, 106-108	
	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	101-102, 105, 109	
BSD 5	Published clinical studies per strain combination	109	BioGaia specific disclosure
BSD 6	Criteria for probiotics and BioGaia's assessment of level of compliance	101	BioGaia specific disclosure
BSD 7	Number of recalls	102	No recalls have taken place during 2024. BioGaia specific disclosure.

Governance standards

	Disclosure requirement	Page	Additional information
G1 Business conduct			
	Material impacts, risks and opportunities and their interaction with strategy and business model	65-66, 110-111	
	The role of the administrative, supervisory and management bodies	62-63, 111	
	Description of the processes to identify and assess material impacts, risks and opportunities	65-66	Double materiality assessment
	Business conduct policies and corporate culture	63-64, 111, 118	Policies and Directives
	Management and relationships with suppliers	67, 111, 118	
	Prevention and detection of corruption and bribery	116-117	
	Incidents of corruption and bribery	117	No cases of suspected bribery or corruption were reported in 2024.
	Political influence and lobbying activities	63-64, 118	Code of Conduct and Conflicts of Interest Policy
	Payment practices	63-64, 122	

*BioGaia Specific Disclosures (BSD) refer to disclosures that are company-specific (GRI 2023) and will eventually be integrated into ESRS reporting.

Included emission sources for calculated greenhouse gas emissions

Scope	Definition	Included emission sources / activities & data gathering process
Scope 1	Direct GHG emissions from vehicles/premises	BioGaia's only source of Scope 1 emissions is from owned or leased cars used by the subsidiary in Japan, stationary combustion for BioGaia Japan, and refrigerants at BioGaia Production. BioGaia does not lease any cars in any other part of the Group.
Scope 2	Indirect emissions from purchased heating and electricity from premises	<p>Data on emissions, electricity usage, and energy used for heating and cooling have been collected from suppliers for BioGaia AB's offices, BioGaia Japan, BioGaia Production, and BioGaia USA. Other subsidiaries operate in rented office spaces (two employees in US, two employees in Finland, and one employee in South Africa) and energy usage is estimated based on the number of employees multiplied by the average energy usage per employee at the Stockholm office. Emissions are calculated by multiplying the energy usage by the emission factor for the energy mix in the local region (from IEA).</p> <p>For the market-based method, if renewable energy is not used, the residual mix from AIB or the Swedish Energy Markets Inspectorate is used when available, and otherwise local energy mix from the IEA is used. For the location-based method, the local energy mix from the IEA is used.</p>
Scope 3	1. Purchased goods and services	All raw materials used in product production are included based on product content and total sales. Emission factors were obtained from the lifecycle assessment and SimaPro. The analysis used the IPCC's Global Warming Potential 2013 with a 100-year time horizon. Emissions from other goods, such as IT equipment, furniture and paper are minimal and extrapolated based on number of employees from an assessment made in 2016 by external consultants.
	2. Capital goods	Not included due to insufficient data on the cradle-to-grave lifecycle data on owned capital goods.
	3. Other fuel- and energy-related activities	Scope 3 emissions included are based on the amount of electricity used as per Scope 2 and emissions factors for Scope 3 emissions from the IEA, AIB or the Swedish Energy Markets Inspectorate. Energy use from the manufacturing operations of our external contract manufacturers is not included due to insufficient data. This is planned to be rectified in 2024.
	4. Upstream transportation and distribution	Transport from suppliers of raw materials for the product to BioGaia's facilities are included based on estimates made by consultants as part of the lifecycle assessment, based on the distance between supplier and BioGaia's facilities.
	5. Waste generated in operations	Waste from operations has been included from 2021.
	6. Business travel	This includes the use of hotels, flights, taxis, rail travel, and car rental. Estimates are based on as much detail as possible for transportation data. In some cases, the estimates were obtained from the travel agency. Emission factors from DEFRA for well-to-tank (WWT), including the high-altitude factor (RF) for aviation, have been used for data provided by the supplier. The adjustment factor used to account for the high-altitude effects of air travel is 1.9, of that used by DEFRA.
	7. Employee commuting	Included and based on a 2023 employee survey conducted by BioGaia AB, with results extrapolated for all employees in the Group. Emission factors were obtained from the Swedish Transport Administration and the Swedish Energy Agency.
	8. Upstream leased assets	Emissions from rented office space are reported in Scope 2.
	9. Downstream transportation and distribution	Emissions from distribution were a preliminary calculation, while consumer travel to purchase the product was not included due to insufficient data. Emission factors were obtained from the Swedish Energy Agency, NTM, and ICAO with an RFI factor of 1.9. Transport to BioGaia's subsidiaries in the US and Japan has been calculated based on data directly from the companies, while other transport distances have been estimated.
	10. Processing of sold products	Not applicable – BioGaia produces and sells the final product that consumers use.
	11. Use of sold products	Not applicable – the product is consumed.
	12. End-of-life treatment of sold products	Included based on a scenario from the lifecycle assessment. However, accuracy will be improved, and packaging recyclability will be further explored to develop better packaging solutions. Emission factors were obtained from the lifecycle assessment and SimaPro. The analysis used the IPCC's Global Warming Potential 2013 with a 100-year time horizon.
	13. Downstream leased assets	Not applicable – BioGaia does not lease assets to other entities.
	14. Franchises	Not applicable – BioGaia does not have any franchises.
	15. Investments	Not included – the BioGaia Group has no significant investments in other companies.

A close-up, high-angle shot of a business meeting. Several people are gathered around a wooden table. In the foreground, a hand holds a black pen, pointing at a tablet displaying financial charts. Another hand is visible, pointing at a different tablet. A laptop is open on the table. The scene is brightly lit, with a strong light source from the right creating a warm glow. The overall atmosphere is professional and collaborative.

Financial
information

Administration report

Figures in parentheses refer to the previous year.

The Board of Directors and the CEO of BioGaia AB (publ.) corporate identification number 556380–8723, hereby submit their annual report and consolidated financial statements for the 2024 financial year. The financial statements relate to the Group and the Parent Company for the period January 1, 2024 to December 31, 2024.

The Annual Report has been prepared in the Group's reporting currency, Swedish kronor, and amounts are in SEK 000s unless otherwise stated.

BioGaia

The company BioGaia is a healthcare company that develops, markets and sells probiotic products with documented positive health benefits. The product range is primarily based on different strains of the lactic acid bacterium *L. reuteri* in combination with unique packaging solutions that make it possible to create probiotic products with a long shelf life. The class B shares of the Parent Company BioGaia AB are quoted on the Mid Cap list of Nasdaq OMX Nordic Exchange Stockholm.

BioGaia has 225 employees, of whom 149 are based in Sweden (Stockholm, Eslöv and Gothenburg).

Business model BioGaia works with three international networks in the areas of research, production and distribution. BioGaia's revenue mainly comes from the sale of drops, gut health tablets, and oral health products to distributors and through its own subsidiaries. Revenue is also earned from the sale of bacterial cultures to be used in licensee products (such as dairy products) and to some extent royalty income for the use of *L. reuteri* in licensee products. The products are sold through nutrition and pharmaceutical companies in more than 100 countries.

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

The BioGaia brand BioGaia launched its own consumer brand at the beginning of 2006. Today, distribution partners sell finished products under the BioGaia brand in a large number of markets. One central part of BioGaia's strategy is to increase the proportion of sales consisting of BioGaia-branded products.

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 the company is both the manufacturer and licensor.

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

Key events in 2024

New contracts and launches

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

On December 5, BioGaia announced the launch of BioGaia Gastrus PURE ACTION, a clean label product with double-strength, FODMAP-friendly probiotics, designed to support individuals with sensitive stomachs.

Other key events

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

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

On November 4, BioGaia announced that Anatom Holding AG, an investment company based in Switzerland, had acquired 4,979,813 class B shares in BioGaia AB following the exit of the EQT Public Value fund.

Key events after the end of the financial year

On January 16, BioGaia announced that the company had terminated the distribution agreement with its partner in France and will engage in direct sales instead.

On February 4, BioGaia announced that the results for the fourth quarter would exceed market expectations.

On March 20, BioGaia announced that the investment firm Anatom becomes the new anchor shareholder.



Launches in 2024

Distributor	Country	Product	Brand
Pediact	France	BioGaia Prodentis	BioGaia
Eczacibasi	Turkey	BioGaia Protectis tablets	BioGaia
BioGaia	Canada	BioGaia Aldermis	BioGaia
BioGaia	USA	BioGaia Nurture & Grow	BioGaia
MTC Pharma	Vietnam	BioGaia Prodentis tablets	BioGaia
Pharmabest	Israel	BioGaia Protectis drops with vitamin D	BioGaia
BioGaia	UK	BioGaia Prodentis lozenges mint	BioGaia
AllergyCare	Switzerland	Pharax drops with vitamin D	BioGaia
Nestlé	Brazil	Nescare B. Lactis	Nestlé
Abbott	Mexico	BioGaia Protectis drops with vitamin D	BioGaia
Agefinsa	Guatemala, El Salvador, Honduras	BioGaia Prodentis lozenges	BioGaia
Abbott	Peru	BioGaia Protectis tablets with vitamin D	BioGaia
Abbott	Mexico	BioGaia Prodentis lozenges mint	BioGaia
Agefinsa	El Salvador	BioGaia Prodentis lozenges apple	BioGaia
BioGaia	Finland	BioGaia Gastrus Pure Action tablets	BioGaia
Ewopharma	Romania	BioGaia Pharax drops	BioGaia
Ewopharma	Czech Republic	BioGaia Pharax drops	BioGaia
Ewopharma	Slovenia	BioGaia Pharax drops	BioGaia

Distributor	Country	Product	Brand
Ewopharma	Bulgaria	BioGaia Pharax drops	BioGaia
Ewopharma	Poland	BioGaia Pharax drops	BioGaia
Ewopharma	Croatia	BioGaia Pharax drops	BioGaia
BioGaia	UK	BioGaia Protectis drops 10 ml	BioGaia

Financial performance in 2024

Consolidated net sales amounted to SEK 1,422.7 million (1,296.5), which is an increase of SEK 126.2 million, or 10% (excluding foreign exchange effects, 11%).

Sales in EMEA amounted to SEK 507.1 million (491.8), up 3% due to increased sales in the Adult Health segment. Sales in EMEA increased mainly in the UK, Eastern Europe and Germany.

Sales in APAC totaled SEK 365.8 million (304.1), up 20% due to higher sales in the Pediatrics segment. Sales increased mainly in China, South Korea and Indonesia.

Sales in Americas totaled SEK 549.8 million (500.6), up 10% due to increased sales in both the Pediatrics and Adult Health segments. Sales mainly increased in the US, Canada and Chile.

Sales by segment Sales in the Pediatrics segment amounted to SEK 1,093.3 million (1,013.5), an increase of 8% (excluding foreign exchange effects, 9%).

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

Sales of BioGaia Protectis tablets within the Pediatrics segment increased compared to the corresponding period last year, mainly in APAC and Americas. Sales increased mainly in Guatemala, the US and the Philippines.

Sales in the Adult Health segment amounted to SEK 321.3 million (275.2), an increase of 17% (excluding foreign exchange effects, 18%).

Sales of BioGaia Protectis tablets decreased compared to the corresponding period last year. Sales decreased in Americas, mainly in the US.

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

Sales of BioGaia Prodentis increased compared to the corresponding period last year. Sales increased in all regions, mainly in the US, Germany and France.

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

The gross margin for the Pediatrics segment totaled 75% (75%) and for the Adult Health segment 63% (67%). The lower gross margin in the Adult Health segment is mainly attributable to mix effects and costs for inventory write-downs related to goods in BioGaia USA.

Operating expenses and operating profit Operating expenses amounted to SEK 607.4 million (507.1), an increase of SEK 100.3 million (20%). Operating expenses excluding items affecting comparability increased by 9% to SEK 553.1 million (505.9). Items affecting comparability totaled SEK 54.3 million (1.1) and primarily include an impairment charge related to the acquisition of MetaboGen of SEK 51.2 million. Items affecting comparability also include arbitration costs related to the termination of the distribution agreement in Italy amounting to SEK 2.1 million and restructuring costs for personnel amounting to SEK 0.8 million.

Selling expenses amounted to SEK 422.7 million (363.3), an increase of 16% due to a larger share of direct sales through subsidiaries and strategic investments in sales and marketing activities.

R&D expenses amounted to SEK 157.1 million (106.8), an increase of 47% mainly due to the impairment in MetaboGen. Excluding the impairment, research and development expenses amounted to SEK 105.9 million, an increase of 1%.

Administrative expenses amounted to SEK 41.6 million (39.2), an increase of 6%.

Other operating expenses refer to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK -14.0 million (-2.2). Operating profit amounted to SEK 423.4 million (443.1), a decrease of 4%. The operating margin was 30% (34%).

Adjusted operating profit amounted to SEK 477.6 million (444.2), an increase of 8%. The adjusted operating margin was 34% (34%). Items affecting comparability are primarily attributable to an impairment related to MetaboGen and arbitration costs associated with the termination of the distribution agreement in Italy.

Net financial items amounted to SEK 24.4 million (25.7). Net financial items were impacted by the adjustment of the value of the earn-out related to Nutraceutics amounting to SEK -13.5 million (-15.0).

Profit after tax and earnings per share Profit after tax amounted to SEK 351.4 million (365.4), a decrease of 4%. The effective tax rate was 22% (22%).

Earnings per share amounted to SEK 3.48 (3.62), basic and diluted.

Balance sheet December 31 Total assets amounted to SEK 2,034.0 million (2,333.2). Goodwill from the acquisition of Nutraceutics has been adjusted for currency translation.

Of the total impairment charge related to MetaboGen, SEK -5.3 million affects goodwill and SEK -45.9 million affects ongoing R&D projects. The financial liability for the earn-out related to Nutraceutics has been revalued.

For more information see note 3

Compared to the previous year, accounts receivable increased while inventories decreased.

Cash and cash equivalents as at December 31, 2024 amounted to SEK 1,224.0 million (1,544.2).

Cash flow Cash flow amounted to SEK -330.6 million (66.6). The cash flow includes a dividend payment of SEK 696.8 million (292.8).

Cash flow from operating activities amounted to SEK 373.2 million (426.0 million). The decrease in cash flow from operations compared with the year-earlier period is primarily due to a negative change in working capital.

Investments amounted to SEK 14.1 million (50.9 million), mainly attributable to BioGaia Production.

Parent Company The Parent Company's net sales amounted to SEK 1,121.6 million (1,015.8 million) and profit before tax was SEK 413.3 million (406.7 million). The financial net includes dividends received amounting to SEK 30.0 million (50.0 million). The financial performance of the Parent Company is in all material respects aligned with that of the Group.

Research and development

BioGaia has an extensive research network and collaborates with universities and hospitals around the world, including the Swedish University of Agricultural Sciences (SLU) in Uppsala, Karolinska Institutet in Stockholm, Sahlgrenska University Hospital in Gothenburg, Texas Children's Hospital in the US, and the university hospitals in Bari and Turin, Italy.

BioGaia's strains of *L. reuteri* are among the most studied probiotics in the world, especially regarding studies in young children. To date, over 270 clinical studies with BioGaia's human strains of *L. reuteri* have been conducted on more than 23,000 individuals of all ages.

Studies have been conducted on:

- Colic and constipation in infants
- Immunomodulation and prevention of infections
- Acute diarrhea
- Antibiotic-related 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 (tooth loss)
- Osteoporosis
- Autism spectrum disorders
- Urinary tract infections

Reporting clinical studies

To ensure transparency and aim for the highest possible scientific standards, BioGaia encourages researchers to design studies and report results in a way that enables publication in well-renowned medical journals. The aim is that all studies, regardless of result, should be published. Furthermore, BioGaia requires all studies to be ethically approved and registered on a

public website, such as ClinicalTrials.gov.

Environmental information

BioGaia has a fundamentally ethical and environmentally friendly mission, namely to conduct research and development aimed at offering clinically proven, health-enhancing and user-friendly probiotic products.

BioGaia shows its commitment to the environment by:

- striving to use eco-friendly packages
- encouraging its suppliers and distributors to take environmental aspects into account in their decisions
- measuring the climate impact of the company and its products and compensating for its carbon dioxide emissions

In 2017, BioGaia established an independent foundation (The Foundation to Prevent Antibiotic Resistance). The aim of the Foundation is to reduce antibiotic resistance through support for research, education and information activities. The goal is for this to promote the use of products and methods that prevent infections or in other ways reduce the use of antibiotics. In a longer perspective, this will also have positive effects on the environment.

BioGaia conducts no operations that are subject to permit or notification requirements.

For more information, see the company's Sustainability Report.

Business risks and uncertainties

BioGaia's operations are associated with both opportunities and risks of various types. Certain risk areas are of a more general nature such as market, research and development, product and production, health and safety, environment, corruption and violations of human rights, while other risks are more specific to the company. The following section is not a complete risk analysis but points to factors of significance for future development, including sustainability risks.

Group

Intangible assets As of the balance sheet date, the group has assets consisting of excess values (SEK 2.2 million) and goodwill (SEK 175.1 million) related to Nutraceutics. There is a risk that these assets may be impaired. BioGaia has tested the intangible assets for impairment and does not assess that any impairment need exists on the balance sheet date. For more information, see note 11.

BioGaia's partners BioGaia does not primarily sell directly to end-users, but sells the products to distributors (partners) who then sell the products to the consumer. The agreements normally have a term of 3-7 years.

BioGaia is dependent on the distributors investing the resources necessary for marketing and sales. In order for the company to influence this to a greater extent, BioGaia launched its own brand in 2006. Today, many of BioGaia's partners sell wholly or partly under the BioGaia brand. BioGaia provides marketing support to its partners in the form of education, information about new clinical studies, speakers at symposia, marketing and PR support. There is a risk that BioGaia's partners will not perform according to the company's wishes. However, BioGaia has formulated its agreements so that it is possible to terminate the agreement if a distributor does not meet certain minimum sales targets.

Research and development BioGaia invests significantly in research, clinical studies and product development with the goal of producing proven health products. Even after pilot studies, there is always a risk that a project will be wholly or partly unsuccessful. BioGaia works with a range of research initiatives in which the company strives for a balance between low and high-risk projects.

Research and clinical studies are conducted at universities and hospitals around the world. To ensure that the clinical studies are conducted in accordance with applicable regulations and provide reliable results, BioGaia's own staff are involved in parts of the work with the clinical studies. The study protocols are always approved by BioGaia, the ethics committee, and other relevant authorities. Agreements are signed with hospitals and universities in which they undertake to comply with the applicable regulatory requirements. BioGaia monitors the studies to ensure that they are conducted in a correct and ethical manner. BioGaia always urges the researchers to publish the results of their studies.

Intellectual property rights BioGaia's business activities are based on a large number of intellectual property rights such as patents, trademarks, names of strains and internet domains. The company continuously works to strengthen its intellectual property rights by protecting the company's products. The various patents have different terms, but those covering the most commonly used strains in BioGaia's products apply until 2026 and 2027.

There is always a risk of infringement of intellectual property rights. These rights are enforced on an ongoing basis, but there are no guarantees that future infringements will not cause damage to the company. BioGaia continuously monitors its business environment.

Regulatory affairs BioGaia's products are currently sold in more than 100 countries around the world. Due to their differing regulatory systems, the length of time between contract and product launch varies between countries. In most countries, the products are registered as dietary supplements and in a few markets as a category of pharmaceutical products.

In the EU, the use of nutrition and health claims for food is regulated by the European Food Safety Authority (EFSA). EFSA regulations apply to food marketed to consumers with various claims about preventive health effects. To make a health claim for the product and in marketing, EFSA approval is required.

There is always a risk that the regulations will change in the different markets, which may negatively impact sales, at least for a period.

To minimize this risk and be proactive, BioGaia's regulatory department works closely with equivalent functions at distributors/partners that monitor local regulations.

Employees BioGaia's operations are wholly dependent on the employees' expertise, and the employees are therefore the company's most valuable resource. In order to attract and retain skilled and motivated employees, BioGaia strives to create a culture in which all employees are given the opportunity to develop, influence their own work situation and maintain a

good balance between work and leisure in order to avoid stress. The company continuously evaluates the current staffing situation and the need for recruitment.

Product liability BioGaia sells dietary supplements. There is a risk that a consumer could experience damage and claim that this damage is attributable to BioGaia's product. This risk also exists in clinical studies. For BioGaia, the top priority has always been to ensure that the products that are manufactured and offered to customers are of high quality and are safe to use. The employees concerned are given relevant training in product safety. The agreements with BioGaia's suppliers include quality requirements and the company has processes in place to ensure that the suppliers comply with the agreements.

Business ethics BioGaia's business model is based on three networks: Research, Production and Distribution. BioGaia's products are sold in more than 100 countries, which means that the brand is exposed all over the world. To ensure that all parties perform their duties in an ethical and, according to BioGaia, correct manner, BioGaia adopted a Code of Conduct in 2017. The Code of Conduct contains minimum requirements in areas such as human rights, labor rights, environment and business ethics and anti-corruption. For further information, see the company's Sustainability Report.

With regard to the research network, BioGaia encourages a sufficiently high level in the design of studies and reporting of results to enable publication in respected medical journals. Furthermore, BioGaia requires that before participants are accepted, the study must be registered on a public site, such as ClinicalTrials.gov. The goal is to publish all studies regardless of the results.

Sustainable supply chain BioGaia's ambition is to take responsibility and consider sustainability risks and delivery accuracy risks throughout the entire value chain, from suppliers via distributors and all the way to the consumer.

One key component of BioGaia's business model is the effort to build long-term and close relationships with a small number of suppliers. BioGaia's ambition is to always have at least two independent suppliers if it is commercially viable. All suppliers must read and sign BioGaia's Supplier Code of Conduct.

Parent Company

Subsidiary BioGaia Pharma AB The operating loss for the period amounted to SEK -2.4 million (-4.0). On the balance sheet date, assets related to BioGaia Pharma were reported at SEK 21.1 million in the Parent Company. Since the company is not profitable, there is a risk of impairment of these assets in the Parent Company. Impairment was recognized during the year corresponding to a group contribution provided. BioGaia has tested the remaining financial assets for impairment and considers there is no indication of impairment on the balance sheet date.

Financial risk management

The overall objective of the group's finance function is to provide cost-effective financing for the group's operations and group companies and to provide secure cash management with a market-based return on investment. The overall objective of financial risk management is to minimize the

risks of negative effects on the group's earnings. Consequently, the group's financial investments must have a low risk profile.

Below is a description of the group's assessed risk exposure and the related risk management. For more information, see Note 26.

Currency risk BioGaia has revenue primarily in EUR and USD but also in SEK, JPY and CHF, and expenses primarily in SEK, but also in EUR, JPY and USD. In 2024, the company had a cash flow surplus of approximately EUR 25.4 million (EUR 23.9 million) and a cash flow surplus of USD 45.2 million (USD 38.8 million). For more information, see note 26.

Interest and liquidity risks The group has no external loans. The company's interest rate risk consists of the return on cash and cash equivalents. The Board has issued a liquidity policy for cash and cash equivalents in which the basic principle is that investment risks should always be minimized and investments should be made primarily in Swedish kronor. To minimize currency risks, other currencies may also be considered. The company's cash and cash equivalents may only be placed in bank accounts, certificates or other fixed income securities with very limited risk. This means that no investments may be made in shares, equity funds, options, etc.

Credit risks BioGaia's credit risks are related to accounts receivable. Customers have a credit period of 30 to 90 days. When signing agreements with new customers, an assessment of the customer's financial position is conducted. The company has procedures in place to collect overdue receivables, and if necessary, further evaluation of the customer's financial position is performed to minimize risks.

Cash flow risk BioGaia has good liquidity. The risk of a liquidity shortage is therefore immaterial. Cash flow amounted to SEK -330.6 million (66.6). Cash flow includes dividends of SEK 696.8 million (-292.8). Cash and cash equivalents as at December 31, 2024 amount to SEK 1,224.0 million (1,544.2).

Price risk BioGaia purchases most of its goods on an international market and has several alternative suppliers, which reduces the company's price risk. BioGaia's price to distributors is largely the same for all customers, but can vary with respect to order volume. Certain markets are subject to aggressive price competition toward consumers. However, BioGaia's strategy is not to compete in terms of price but to convince doctors of the efficacy and safety of the products by showing the results of clinical studies.

Future outlook

BioGaia's goal is to create strong value growth and a good return for the shareholders. This will be achieved through a greater emphasis on the BioGaia brand, increased revenue from existing and new customers and a controlled cost level.

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

Financial targets and dividend policy 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.

In October 2020, BioGaia announced that it had carried out a directed issue of 2.86 million class B shares, raising proceeds of SEK 1.1 billion. Since then, BioGaia has evaluated several larger potential acquisitions but could not satisfactorily conclude that these were possible to complete or were a strategic fit. For the coming years, BioGaia will focus on evaluating smaller and more tactical acquisitions. With this change in acquisition strategy, BioGaia has excess net cash and has therefore decided to increase future dividends as follows. In addition to the current dividend policy of 50% of the Group's earnings after tax and after adjustments for non-recurring items, BioGaia intends to pay extra dividends of 50-100% of the group's earnings after tax and after adjustments for non-recurring items in the coming years, provided that future cash flows align with BioGaia's forecasts.

BioGaia will still have sufficient net cash to allow selective acquisitions of considerable size while maintaining sufficient funding to deal with future potential variations in the group's revenue.

Employees

The number of employees in the group at December 31, 2024 was 225 (210).

The company has an incentive program for all employees based on both the company's sales and results, as well as 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 approved by the Annual General Meeting in 2021. The number of shares and votes in BioGaia increased during the third quarter due to the exercise of warrants issued under this share subscription program. Through the subscription, the number of class B shares and votes in BioGaia increased by 180,000 and the share capital increased by SEK 36,000. The exercise period expired during the fourth quarter of 2024. Furthermore, the Annual General Meeting in 2024 resolved on a new employee stock option program that is currently being implemented.

Resolution at the 2024 Annual General Meeting regarding guidelines for remuneration to senior executives

The Annual General Meeting 2024 resolved on the following guidelines for remuneration to senior executives. The guidelines do not apply to remuneration resolved by the General Meeting.

Promotion of the guidelines for BioGaia's business strategy, long-term interests and sustainability BioGaia performs research and development to provide consumers with clinically proven, health-promoting, patented and user-friendly probiotic products. Successful implementation of the business strategy and safeguarding BioGaia's long-term interests, including its sustainability, require BioGaia to be able to recruit, motivate and retain competent employees who work to achieve maximum shareholder and customer value. This requires BioGaia to be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

Forms of remuneration, etc. Remuneration shall be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The General Meeting may in addition – and independent of these guidelines – resolve on, for example, share-based and share-price based remuneration. The total remuneration package to senior executives should include a well-balanced mix of the above-named components, as well as terms of notice and severance pay. The Board should annually evaluate whether share-based or share-price based long-term incentive programs should be proposed to the Annual General Meeting.

The fixed cash salary shall be individual and based on the senior executive's responsibilities and role as well as the individual's competence and experience in the relevant position.

The variable cash remuneration may amount to a maximum of 50% of the fixed annual cash salary.

Senior executives who are entitled to pensions shall have pension benefits that are defined contribution. Variable cash remuneration shall not be pensionable. Pension premiums for defined contribution pensions shall amount to a maximum of 30% of the fixed annual cash salary.

Other benefits may include life insurance, health insurance (Sw: sjukvårdsförsäkring) and a company car benefit. Such benefits shall be of limited value in relation to other compensation and in line with what is customary in the respective geographic market. Other benefits may in total amount to a maximum of 5% of the fixed annual cash salary.

Termination of employment Upon termination of employment, the maximum notice period is eighteen months. Fixed cash salary during the notice period and severance pay may not together exceed an amount equivalent to the fixed cash salary for a two-year period. In case of termination by the senior executive, the notice period may not be less than three months and no severance pay will be paid.

Criteria for the distribution of variable cash compensation, etc. Variable cash remuneration shall be linked to pre-determined and measurable criteria which may be financial or non-financial. It may also consist of individually adapted quantitative or qualitative targets. The criteria shall be designed so that they promote the group's business strategy and long-term interests, including its sustainability, through for example having a clear link to BioGaia's business strategy or promoting the executive's long-term development.

Fulfillment of the criteria for payment of variable cash remuneration shall be measured over a period of one year. When the measurement period for fulfillment of the criteria for payment of variable cash remuneration has ended, the extent to which the criteria have been met shall be determined. The Remuneration Committee is responsible for the assessment regarding variable cash remuneration to the CEO. As regards variable cash remuneration to other senior executives, the CEO is responsible for the assessment.

Salary and terms of employment for employees In preparing the Board's proposal for these remuneration guidelines, salaries and terms of employment for the company's employees have been taken into account through information on employees' total remuneration, remuneration components, as well as remuneration increases and rate of increase over time, which have formed part of the Remuneration Committee's and the Board's basis for decision for the when evaluating the reasonableness of the guidelines and the limitations that are a consequence of them.

Decision-making process to establish, review and implement the guidelines The Board has established a Remuneration Committee. The tasks of the committee include preparation of the Board of Directors' proposal for decisions on guidelines for remuneration to senior executives. The Board shall prepare proposals for new guidelines at least every four years and present the proposal for decision to the Annual General Meeting. The guidelines shall apply until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programs for Executive Management, the application of guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the group. The members of the Remuneration Committee are independent in relation to BioGaia and Executive Management. When the Board considers and makes decisions on remuneration-related matters, the CEO and other senior executives and Board members are not present, insofar as they are affected by the issues.

Departure from the guidelines The Board may decide temporarily to depart from the guidelines wholly or partly if there are specific reasons for this in an individual case and such departure is necessary to meet BioGaia's long-term interests, including its sustainability, or to ensure BioGaia's financial viability. As stated above, it is part of the Remuneration Committee's tasks to prepare the Board's decisions on remuneration matters, which includes decisions to depart from the guidelines.

Most recently adopted guidelines regarding remuneration and other terms of employment for senior executives

The most recently resolved guidelines were adopted by the Annual General Meeting in 2024 (see above).

Corporate governance

BioGaia has issued a separate corporate governance report. See page 166.

Sustainability reporting

BioGaia has issued a separate sustainability report. See page 57.

Proposed appropriation of profits

The following unrestricted funds in the Parent Company are at the disposal of the Annual General Meeting (SEK):

Retained earnings	970,100,960
Profit for the year	334,420,642
Profits available for appropriation	1,304,521,602
The Board of Directors proposes that the profits be appropriated as follows	
To be paid as a dividend to the shareholders*	698,019,939
Provision to the Foundation to Prevent Antibiotic Resistance	5,000,000
To be carried forward to new account	601,501,663
Total	1 304,521,602

*) The proposed dividend consists of a dividend according to policy of SEK 1.95 (1.90) per share plus an extra dividend of SEK 4.95 (5.00) per share.

Mandatory disclosures for ESEF reporting

Name of the reporting entity	BioGaia AB (publ.)	IAS 1 51 a
Legal form of entity	Public limited company (publ.)	IAS 1 138 a
Country of incorporation	Sweden	IAS 1 138 a
Address	Kungsbroplan 3A 112 27 Stockholm	IAS 1 138 a
Principal place of business	Stockholm	IAS 1 138 a
Description of nature of entity's operations and principal activities	The company BioGaia is a healthcare company that develops, markets and sells probiotic products with documented positive health effects.	IAS 1 138 b
Name of parent entity	BioGaia AB (publ.)	IAS 1 138 c, IAS 24 13

Five-year summary

Key ratio	2024	2023	2022	2021	2020
Total net sales, SEKm	1,422.7	1,296.5	1,104.0	785.1	747.1
Net sales, Pediatrics segment, SEKm	1,093.2	1,013.5	868.4	603.7	583.1
Net sales, Adult Health segment, SEKm	321.2	275.2	230.2	176.9	161.2
Other net sales, SEKm	8.2	7.8	5.4	4.6	2.8
Product net sales, SEKm	1,441.6	1,285.9	1,085.4	753.5	721.5
Operating profit, SEKm	423.3	443.1	361.5	253.7	228.2
Profit before tax, SEKm	447.8	468.8	447.6	252.7	227.6
Profit after tax, SEKm	351.4	365.4	373.8	196.3	179.7
Profit after tax attributable to owners of the Parent Company, SEKm	351.4	365.4	373.8	196.3	179.7
Growth, net sales, %	10	17	41	5	-3
Operating margin, %	30	34	33	32	31
Profit margin before tax, %	31	36	41	32	30
Equity/assets ratio, %	85	87	89	88	91
Capital employed, SEKm	1,729.3	2,045.5	1,985.0	1,891.6	1,757.6
Return on capital employed, %	25	24	23	14	20
Return on equity, %	19	18	19	11	16
Average number of employees	217	213	203	161	157

Share data ¹⁾

Number of shares as at Dec 31, thousands	101,162	100,982	100,982	100,982	20,196
Average number of shares, thousands	101,072	100,982	100,982	100,982	17,855
Earnings per share before dilution, SEK ^{2) 4)}	3.48	3.62	3.70	1.94	10.07
Earnings per share, after dilution, SEK ^{2) 4)}	3.48	3.62	3.70	1.94	10.07
Equity per share, SEK ⁴⁾	17.06	20.11	19.53	18.59	97.80
Equity per share after dilution, SEK ⁴⁾	19	20.11	19.53	18.59	97.80
Share price on balance sheet date, SEK	111.9	101	84	518	537
Dividend per share, SEK	6.90 ³⁾	6.90	2.90	2.98	3.41

¹⁾ In light of the 5:1 share split that took place in May 2022, historical key ratios from 2021 based on the number of shares have been restated.

²⁾ Key ratio defined according to IFRS.

³⁾ Dividend proposed but not yet approved.

⁴⁾ Bonus issue elements have been taken into account in the calculation of earnings per share before and after dilution as well as equity per share, which has resulted in the comparative figures being restated. There are no other dilutive effects.

For definitions of key ratios, see page 164.

Group

Statement of comprehensive income

Amounts in SEK 000s	Note	2024	2023
Net sales	2	1,422,718	1,296,506
Cost of sales	2	-391,975	-346,316
Gross profit	2	1,030,743	950,190
Selling expenses	4	-422,657	-363,256
Administrative expenses	2, 4	-41,621	-39,249
Research and development expenses	2, 7, 11	-157,104	-106,776
Other operating income	5	14,165	2,223
Other operating expenses	6	-155	-29
Operating profit		423,371	443,103
Financial income	8	39,372	41,532
Financial expenses	9	-14,924	-15,801
Net financial items		24,448	25,731
Profit before tax		447,819	468,834
Tax	10	-96,431	-103,482
Profit for the year		351,388	365,352
Items that may be reclassified to profit or loss			
Gains/losses on translation of the statements of foreign operations		22,565	-9,762
Comprehensive income for the year		373,953	355,590
Profit for the year attributable to:			
Owners of the Parent Company		351,388	365,352
Non-controlling interests		-	-
		351,388	365,352
Comprehensive income for the year attributable to:			
Owners of the Parent Company		373,953	355,590
Non-controlling interests		-	-
		373,953	355,590
Earnings per share			
Earnings per share (SEK), before and after dilution		3.48	3.62
Number of shares, thousands		101,162	100,982
Average number of shares, thousands		101,072	100,982

Statement of cash flows

Amounts in SEK 000s	Note	2024	2023
Operating activities			
Operating profit		423,371	443,103
Adjustments for non-cash items:			
Depreciation/Amortization		25,545	25,281
Impairment of development projects		51,150	-
Other non-cash items		-3,537	-1,478
Interest received		39,363	41,250
Interest paid		-1,446	-789
Taxes paid		-111,514	-80,294
Cash flow from operating activities before changes in working capital		422,932	427,073
Cash flow from changes in working capital:			
Inventories		31,771	-40,887
Current receivables		-85,647	3,754
Accounts payable		-1,223	17,713
Current interest-free operating liabilities		5,384	18,312
Cash flow from operating activities		373,217	425,965
Investing activities:			
Acquisition of property, plant and equipment	13	-13,756	-48,568
Acquisition of intangible assets	20	-397	-146
Acquisition of financial assets		-	-2,221
Sale of property, plant and equipment		80	-
Cash flow from investing activities		-14,073	-50,935
Financing activities:			
Dividend		-696,778	-292,849
Amortization lease liability		-9,355	-10,755
Provision to Foundation		-4,400	-4,400
Repurchase of warrants		-	-417
New share issue		20,815	-
Cash flow from financing activities		-689,718	-308,421
Cash flow for the year		-330,574	66,609
Cash and cash equivalents at beginning of the year		1,544,192	1,488,366
Exchange differences in cash and cash equivalents		10,366	-10,783
Cash and cash equivalents at end of year		1,223,984	1,544,192

Group

Statement of financial position

Amounts in SEK 000s	Note	Dec. 31, 2024	Dec. 31, 2023
Assets			
Non-current assets:			
R&D projects in progress	11	767	46,230
Goodwill	11	175,104	165,174
Right-of-use assets	12	30,183	36,156
Property, plant and equipment	13	175,436	177,172
Financial assets	20	28,013	28,013
Deferred tax assets	10	14,266	5,964
Deposits		52	48
Total non-current assets		423,821	458,757
Current assets:			
Inventories	15	152,889	181,204
Accounts receivable	16, 20	189,774	105,875
Other receivables	18	32,346	33,315
Deferred expenses and accrued income	19	11,192	9,847
Cash and cash equivalents	20	1,223,984	1,544,192
Total current assets		1,610,185	1,874,433
Total assets		2,034,006	2,333,190

Statement of financial position

Amounts in SEK 000s	Note	Dec. 31, 2024	Dec. 31, 2023
Equity and liabilities			
Equity	21		
Share capital		20,232	20,196
Other contributed capital		1,174,155	1,153,377
Foreign currency translation reserve		38,501	15,936
Retained earnings including profit for the year		491,044	840,833
Total equity attributable to owners of the Parent Company		1,723,932	2,030,342
Non-controlling interests	14, 17	2	2
Total non-controlling interests		2	2
Total equity		1,723,934	2,030,344
Non-current liabilities:			
Deferred tax liability	10	5,444	15,179
Other liabilities	26	98,425	91,932
Total non-current liabilities		103,869	107,111
Current liabilities:			
Prepayments from customers	20	8,835	8,533
Accounts payable	20	48,299	49,308
Current tax liabilities	23	33,461	33,029
Other liabilities	23	14,292	18,505
Accrued expenses and deferred income	24	101,316	86,360
Total current liabilities		206,203	195,735
Total liabilities		310,072	302,846
Total equity and liabilities		2,034,006	2,333,190

Group

Statement of changes in equity

Amounts in SEK 000s	Share capital	Other contributed capital	Foreign currency translation reserve	Retained earnings including profit for the year	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
Opening equity, January 1, 2023	20,196	1,153,793	25,696	772,731	1,972,416	2	1,972,418
Dividend				-292,849	-292,849		-292,849
Provision to foundation				-4,400	-4,400		-4,400
Repurchase of warrants		-417			-417		-417
Total transactions with owners		-417	0	-297,249	-297,666	0	-297,666
Profit for 2023				365,352	365,352		365,352
Other comprehensive income							
Gains/losses on translation of the statements of foreign operations			-9,762		-9,762		-9,762
Comprehensive income for the year	0	0	-9,762	365,352	355,590		355,590
Closing equity, December 31, 2023	20,196	1,153,377	15,936	840,834	2,030,342	2	2,030,344
Opening equity, January 1, 2024	20,196	1,153,377	15,936	840,834	2,030,342	2	2,030,344
Dividend				-696,778	-696,778		-696,778
Provision to foundation				-4,400	-4,400		-4,400
New share issue	36	20,779			20,815		20,815
Total transactions with owners	36	20,779	0	-701,178	-680,363		-680,363
Profit for 2024				351,388	351,388		351,388
Other comprehensive income							
Gains/losses on translation of the statements of foreign operations			22,565		22,565		22,565
Comprehensive income for the year	0	0	22,565	351,388	373,953	0	373,953
Closing equity, December 31, 2024	20,232	1,174,155	38,501	491,044	1,723,932	2	1,723,934

Parent Company

Income statement

Amounts in SEK 000s	Note	2024	2023
Net sales	2	1,121,581	1,015,763
Cost of sales	2	-407,727	-385,989
Gross profit	2	713,854	629,774
Selling expenses	2	-191,197	-173,785
Administrative expenses	4	-39,057	-37,285
Research and development expenses	2, 7, 11	-147,888	-100,260
Other operating expenses	5	14,039	1,844
Operating profit		349,751	320,288
Result from financial investments			
Impairment loss on shares in group companies	14	-1,968	-3,974
Interest income and similar profit/loss items	8	66,757	90,420
Interest expenses and similar profit/loss items	9	-1,271	-68
Net financial items		63,518	86,378
Profit before tax		413,269	406,666
Tax on profit for the year	10	-78,848	-73,139
Profit for the year		334,421	333,527

The Parent Company has no transactions in other comprehensive income, therefore the comprehensive income for the year corresponds to the profit for the year above. As a result, the company does not present a separate statement of comprehensive income for the Parent Company.

Statement of cash flows

Amounts in SEK 000s	Note	2024	2023
Operating activities			
Operating profit		349,751	320,288
Adjustments for non-cash items:			
Depreciation/Amortization		2,363	2,444
Impairment losses on development projects		45,850	-
Other non-cash items		-4,496	-820
Interest received		36,757	40,420
Interest paid		-535	-68
Taxes paid		-87,597	-57,675
Cash flow from operating activities before changes in working capital		342,093	304,588
Cash flow from changes in working capital:			
Inventories		39,303	-24,020
Current receivables		-70,142	49,772
Accounts payable		-8,155	14,530
Current interest-free operating liabilities		43,449	-76,581
Cash flow from operating activities		346,548	268,289
Investing activities:			
Acquisition of intangible assets		-397	-146
Acquisition of property, plant and equipment	13	-633	-1,688
Sale of property, plant and equipment	13	80	-
Acquisition of financial assets	14	-14,242	-6,768
Dividends from subsidiaries		30,000	50,000
Repayment of loans from subsidiaries		-	-
Cash flow from investing activities		14,808	41,398
Financing activities			
Dividend		-696,778	-292,849
Provision to foundation		-4,400	-4,400
New share issue		20,815	-
Subscription warrants		-	-417
Cash flow from financing activities		-680,363	-297,666
Cash flow for the year		-319,007	12,021
Cash and cash equivalents at beginning of the year		1,291,037	1,280,710
Exchange differences in cash and cash equivalents		4,479	-1,694
Cash and cash equivalents at end of year		976,509	1,291,037

Parent Company

Balance sheets

Amounts in SEK 000s	Note	Dec 31, 2024	Dec 31, 2023
Assets			
Non-current assets			
Intangible assets	11		
Capitalized development expenses		767	46,230
Total intangible assets		767	46,230
Property, plant and equipment	13		
Production machinery		8,297	10,060
Equipment and computers		18	38
Total property, plant and equipment		8,315	10,098
Financial assets			
Participations in group companies	14	256,307	247,575
Non-current receivables from subsidiaries		5,516	-
Deferred tax assets	10	2,442	721
Total financial assets		264,265	248,296
Total non-current assets		273,347	304,624
Current assets			
Inventories	15	78,989	118,292
Current receivables			
Accounts receivable	16, 20	140,409	76,384
Receivables from group companies	17	44,379	37,915
Other receivables	18	23,599	24,852
Deferred expenses and accrued income	19	3,844	2,938
Total current receivables		212,231	142,089
Cash and cash equivalents	20	976,509	1,291,037
Total current assets		1,267,729	1,551,418
Total assets		1,541,076	1,856,042

Balance sheets

Amounts in SEK 000s	Note	Dec 31, 2024	Dec 31, 2023
Equity and liabilities			
Equity	21		
Restricted equity			
Share capital		20,232	20,196
Other restricted equity		1,253	1,253
		21,485	21,449
Non-restricted equity			
Retained earnings		970,101	1,316,972
Profit for the year		334,421	333,528
	22	1,304,522	1,650,500
Total equity		1,326,007	1,671,949
Liabilities			
Provision for deferred tax		-	9,445
Total non-current liabilities		0	9,445
Current liabilities			
Prepayments from customers		28	180
Accounts payable		25,873	34,028
Liabilities to group companies	17	67,479	32,651
Other liabilities	23	2,558	2,412
Current tax liabilities		30,768	28,350
Accrued expenses and deferred income	24	88,363	77,027
Total current liabilities		215,069	174,648
Total liabilities		215,069	184,093
Total equity and liabilities		1,541,076	1,856,042

Parent Company

Statement of changes in equity

Amounts in SEK 000s	Share capital	Other restricted equity	Retained earnings	Profit for the year	Total equity
Opening equity, January 1, 2023	20,196	1,253	1,638,269		1,659,718
Dividend			-292,849		-292,849
Provision to foundation			-4,400		-4,400
Repurchase of warrants			-417		-417
Profit for 2023				333,528	333,528
Closing equity, December 31, 2023	20,196	1,253	1,316,972	333,528	1,671,949
Opening equity, January 1, 2024	20,196	1,253	1,650,500		1,671,949
Dividend			-696,778		-696,778
Provision to foundation			-4,400		-4,400
New share issue	36		20,779		20,815
Profit for 2024				334,421	334,421
Closing equity, December 31, 2024	20,232	1,253	970,101	334,421	1,326,007

Notes to the financial statements and accounting policies

All figures in SEK 000s unless otherwise specified. Figures in parentheses refer to the previous year.

Note 1 Accounting policies

Compliance with norms and laws

The consolidated financial statements have been prepared in accordance 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 Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, i.e. the same accounting policies as the group except in cases where the Parent Company's compliance with the Swedish Annual Accounts Act limits the applicability of IFRS in the Parent Company.

New or revised standards from January 1, 2024 The new or revised standards and interpretations that have been issued and apply from January 1, 2024 have not affected the group's accounting.

New or revised IFRS standards and new interpretations not yet effective The new or revised standards and new interpretations that have been issued, but which come into effect for financial years beginning on January 1, 2025 have not yet been applied by the group. Executive Management's assessment is that these standards and interpretations will not have a material impact on the consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis unless otherwise specified. Non-current assets, non-current liabilities and provisions essentially consist of amounts expected to be recovered or settled more than 12 months after the closing date. Current assets and current liabilities essentially consist of amounts expected to be recovered or settled within 12 months from the closing date. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are of significant importance to the consolidated financial statements, are specified in note 27.

Basis of consolidation

The consolidated financial statements consolidate the operations of the Parent Company and subsidiaries for the period ended December 31, 2024. The Parent Company controls the subsidiaries and has the ability to affect returns from its involvement with the subsidiaries through its power over the

subsidiaries. All subsidiaries have their balance sheet date on December 31. All intragroup transactions and balances are eliminated in full on consolidation, including unrealized gains and losses arising from intercompany transactions. In cases where unrealized losses on intragroup sales of assets are reversed on consolidation, the underlying asset is tested for impairment also from a group perspective. When necessary, amounts reported in the financial statements of subsidiaries have been adjusted to ensure conformity with the accounting policies of the group.

Profit/loss and other comprehensive income for subsidiaries that are acquired or sold during the year are recognized from the date on which the acquisition or sale went into force, according to what is applicable. Non-controlling interests, recognized as a component of equity, represent the share of the subsidiary's profit or loss and net assets that is not held by the group. The group attributes comprehensive income for the subsidiaries to the owners of the Parent Company and non-controlling interests based on their respective holdings. Transactions involving the acquisition and disposal of shares in companies where there are non-controlling interests are recognized in the Statement of cash flows under "Cash flow from investing activities" and in the Statement of changes in equity as "Transactions with owners."

Provision to the "Foundation for the Prevention of Antibiotic Resistance"

The provision to the "Foundation for the Prevention of Antibiotic Resistance" was approved at the Annual General Meeting and is in accordance with the Swedish Companies Act, Chapter 17 Section 5 regarding donations for charitable purposes. The provision is recognized as an equity transaction. Support for recognition of the provision as an equity transaction is found in the Conceptual Framework for Financial Reporting in the section Financial performance reflected by accrual accounting (1.17ff). BioGaia has assessed that the company does not have a controlling interest over the Foundation according to IFRS 10, which is why the Foundation is not consolidated. The assessment is based, among other factors, on the fact that the Foundation is an independent entity, that BioGaia has no right to proceeds (positive or negative) from the Foundation, that three of six of the members of the board of the Foundation are external and that an external secretary general is responsible for day-to-day management.

Foreign currency translation

- **Functional currency** The functional currency is the currency of the primary economic environments in which the companies in the group operate.
- **Transactions** Foreign currency transactions are translated to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing day rate. Exchange differences arising

on translation are recognized in profit or loss. Non-monetary assets and liabilities carried at cost are translated at the exchange rate on the transaction date. Non-monetary assets and liabilities measured at fair value are translated to the functional currency at the exchange rate on the date when the fair value was determined. Changes in value of operating receivables and liabilities are recognized in operating profit, while changes in value related to financial receivables and liabilities are recognized in net financial items.

- **Financial statements of foreign operations** Assets and liabilities in foreign group companies are translated from the group company's functional currency to the group's presentation currency, Swedish kronor (SEK), at the closing day rate. Income and expenses in foreign operations are translated to SEK at an average rate that is a reasonable approximation of actual rates on the respective transaction dates. An average rate is computed quarterly. Exchange differences arising on translation of foreign group companies are recognized in other comprehensive income.
- **Net investments in group companies** Receivables from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, part of the company's net investment in that foreign operation. Exchange differences arising on translation of non-current loans in foreign currency that form part of the net investment in a foreign operation are deferred to a translation reserve in other comprehensive income.

Segment reporting

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 and milk formula) as well as royalty revenue for pediatric products).
- **Adult Health segment** (gut health tablets, bone health tablets and oral health lozenges, as well as cultures as an ingredient in a licensee's dairy products).
- **Other** (royalties in respect of development projects, revenue from packaging solutions in the subsidiary CapAble, etc.).

Sales and gross profit are reported for the above segments and are monitored regularly by the CEO (who is regarded as the chief operating decision maker) together with Executive Management. There is no monitoring of the company's total assets against the segments' assets.

Revenue recognition

BioGaia applies IFRS 15 for revenue recognition. Details of BioGaia's revenue streams are provided below.

BioGaia's revenues mainly comprise sales of goods. No commitments for BioGaia remain after delivery since BioGaia does not provide customers with any extended guarantees or the option to return. Control is transferred to the customer when the good is placed at the disposal of the purchaser. In addition to the sales of goods, revenues consist of royalties or exclusivity rights linked to product distribution in a defined market/territory. These contracts include obligations over time and revenue is recognized in pace with fulfillment of BioGaia's performance obligations, i.e. over time. The transaction price, i.e. the compensation BioGaia expects to receive in exchange for the goods and services is in most cases fixed and therefore easy to determine. Variable compensation occurs in individual cases, often in combination with requirements for minimum levels of sales, which simplifies assessment of the transaction price. Interest income is recognized in profit or loss in the period to which it pertains.

Contractual assets consist of accrued income. Accrued income refers to the right to compensation for products and services that have been transferred to the customer, but for which the group has not yet received payment, and primarily consists of royalties. Contractual liabilities are a company's obligation to transfer goods or services to a customer for which the company has received compensation from the customer. These mainly comprise prepayments related to orders that will be delivered.

Pensions

All employees in Sweden are subject to mandatory retirement in accordance with Swedish legislation, and other employees in accordance with the legislation of their respective countries. The company has no pension commitments other than payment of current pension insurance premiums. The pension insurance premiums are defined contribution and are expensed as incurred.

Income taxes

Current tax refers to tax calculated on the taxable profit for the period. Taxable profit differs from recognized profit in the consolidated income statement as it has been adjusted for non-taxable income and non-deductible expenses as well as for income and expenses that are taxable or deductible in other periods.

Deferred tax refers to the tax calculated partly on temporary differences and partly on tax losses.

At every closing date, an assessment is made to determine whether to recognize deferred tax assets not previously recognized in the balance sheet. Such tax assets are recognized to the extent that it is probable that sufficient taxable profits will be available in the future.

Research and development expenses

Expenditure on research is recognized as an expense in the period in which it is incurred. Expenditure on development is recognized as an intangible asset when all of the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the company's intention to complete and use or sell the intangible asset
- the ability to use or sell the intangible asset
- it is probable that the intangible asset will generate future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to reliably measure the expenditure attributable to the intangible asset during its development

Other expenditure on development is recognized as an expense in the period in which it is incurred. An individual assessment of all ongoing research and development projects is made quarterly to determine which costs can be capitalized. The carrying amount of capitalized expenditure includes all directly attributable expenses such as materials, purchased services, and employee costs.

BioGaia typically has research activities in the form of clinical studies underway parallel to product development. Much of BioGaia's product development consists of stability tests to ensure that the products remain stable throughout their shelf lives. While the clinical studies and stability tests are in progress, it is often not possible to be certain that the project will be successful and that the product can be sold. This means that projects often do not meet the requirements for capitalization. Other aspects of product development include finding new delivery systems and developing existing products. Amortization of capitalized development costs begins when the asset can be used and the products start generating revenue, and is carried out on a straight-line basis over the expected useful life of the asset.

IFRS 16 Leases

- **The group as lessee** The group assesses whether a contract is or contains a lease contract at the commencement date. The group recognizes a right-of-use asset and a corresponding lease liability for all leases in which the group is the lessee. However, this does not apply to short-term lease agreements (defined as leases with a lease term of 12 months or less) or to leases where the underlying asset is of low value. For these leases, the group recognizes lease payments as an operating expense on a straight-line basis over the lease term, if no other systematic method better reflects how the economic benefits from the underlying asset will be consumed by the lessee. The lease liability is initially measured at the present value of lease payments not paid as of the commencement date, discounted by using the lease's implicit interest rate. If this interest rate cannot be easily identified, the group uses the incremental borrowing rate. The incremental borrowing rate is the interest rate that a lessee would need to pay for financing through borrowing during a corresponding period and with corresponding security, for right-of-use of an asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments) less any incentives,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date.

Non-current lease liabilities are recognized as a separate item and current lease liabilities are recognized together with other current liabilities.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) if:

- The lease term has changed or there is a change in the assessment of an option to purchase the underlying asset. In such cases, the lease liability is remeasured by discounting the changed lease payments with a changed discount rate.
- Lease payments change due to changes in an index or rate or a change in the amount expected to be paid out under a residual value guarantee. In such cases, the lease liability is remeasured by discounting the changed lease payments with the initial discount rate (provided the changes in lease payments are not due to changed variable interest rate, when a changed discount rate will be used instead).
- A lease contract is changed and the change is not recognized as a separate lease. In such cases, the lease liability is remeasured by discounting the changed lease payments with a changed discount rate.

At acquisition, right-of-use assets are recognized at the value of a corresponding lease liability, lease payments made on or before the commencement date, as well as any initial direct payments. In subsequent periods, they are measured at cost after deduction for accumulated amortization and impairment.

Amortization of right-of-use assets takes place over an estimated useful life or over the contractual lease term, if this is shorter. If a lease contract transfers ownership to the underlying asset at the end of the lease term or if the cost for right-of-use reflects that the group expects to exercise a call option, amortization takes place over the useful life of the underlying asset. Amortization starts as at the commencement date for the lease contract. Right-of-use assets are presented on a separate line in the group's statement of financial position.

The group applies IAS 36 Impairment of Assets to determine whether there is an impairment requirement for the right-of-use and reports any identified impairment in the same manner as described in the principles for property, plant and equipment.

Intangible and property, plant and equipment

Intangible and property, plant and equipment are measured at cost less accumulated amortization and any impairments. Goodwill with an indefinite useful life is not amortized.

Intangible assets are amortized on a straight-line basis over their expected useful lives.

The following depreciation periods are applied for non-current assets:

Non-current assets

Production machinery and laboratory equipment	5-10 years
Equipment and computers	3-5 years
Buildings	20-60 years
Development projects	3-10 years

If there is an indicator of impairment, the asset's recoverable amount is estimated. For goodwill with an indefinite useful life and development projects, the recoverable amount is also estimated each year. The recoverable amount is the higher of fair value less costs of disposal and value in use. When calculating value in use, future cash flows are discounted using a discount factor that takes into consideration the risk-free interest rate and the risk associated with the specific asset. Impairment is charged to profit or loss and recognized when an asset's or cash-generating unit's carrying amount exceeds the recoverable amount.

Depreciation of buildings starts when construction is completed. For electrical and internal construction work, etc., the depreciation period is 20–30 years, and for framework and foundation, the depreciation period is 60 years.

Inventories

Inventories are measured at the lower of cost and net realizable value, including provisions for obsolescence. Cost is measured according to purchase price taking into account the FIFO method.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank deposits.

Financial assets and liabilities

The group's accounting policies in accordance with IFRS 9 for financial instruments are provided below.

- **Financial instruments** Financial instruments recognized in the statement of financial position include on the assets side cash and cash equivalents, accounts receivable, other current receivables and currency derivatives to the extent these have a positive fair value. On the liabilities side, there are accounts payable, other current liabilities, loans and currency derivatives to the extent these have a negative fair value. The category to which the group's financial assets and liabilities belong is specified in Note 20.
- **Recognition and derecognition from the statement of financial position** A financial asset or liability is recognized in the statement of financial position when the company becomes party to the contractual terms of the instrument. A receivable, except accounts receivable, is recognized when the company has performed and a contractual obligation exists for the counterparty to pay, even if no invoice has yet been sent. Accounts receivable are recognized in the statement of financial position when an invoice has been sent. Liabilities, except accounts payable, are recognized when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recognized when an invoice is received. A financial asset is derecognized from the statement of financial position when the contractual rights are realized, expire or the company has relinquished control. The same applies to part of a financial asset. A financial liability is derecognized from the statement of financial position when the contractual obligations are met or otherwise extinguished. The same applies to part of a financial liability. No currency derivatives or other financial assets and liabilities are offset in the statement of financial position since the terms for offsetting are not met. Acquisition and disposal of financial assets are recognized on the transaction date. The transaction date is the day the company undertakes to acquire or dispose of the asset.

- **Classification and measurement** Financial assets are classified on the basis of the business model in which the asset is held and its cash flow characteristic. If the financial asset is held within the framework of a business model whose objective is collecting contractual cash flows and the contractual terms of the financial asset at identified dates give rise to cash flows that are solely payments of principal and interest on outstanding principal, the asset is recognized at amortized cost.

If the financial asset is held in a business model whose objective can be achieved both by collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset at identified dates give rise to cash flows that are solely payments of principal and interest on outstanding principal, the asset is recognized at fair value through other comprehensive income.

All other business models where the purpose is speculation, holding for trading or where the cash flow characteristic excludes other business models result in recognition at fair value through profit or loss.

- **Amortized cost and effective interest method** Amortized cost for a financial asset is the amount at which the financial asset is measured at initial recognition minus principal, plus the accumulated amortization using the effective interest method of any difference between the principal amount and the outstanding principal, adjusted for impairment. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjustment for any loss allowance.
- **Financial liabilities** Financial liabilities are recognized at amortized cost using the effective interest method or at fair value through profit or loss.
- **Financial liabilities at amortized cost** Loans and other financial liabilities, e.g. accounts payable, are included in this category. Liabilities are measured at amortized cost.
- **Financial liabilities measured at fair value through profit or loss** This category consists of financial liabilities measured at fair value through profit or loss. This category includes provision for the additional purchase price for Nutraceuticals.
- **Impairment** The group recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost or fair value through other comprehensive income, for a lease receivable or for a contractual asset. As at each closing date, the group shall recognize in profit or loss the change in expected credit losses since the initial recognition date. For accounts receivable, contractual assets and lease receivables there is a simplified model, which mean that the group directly recognizes expected credit losses for the remaining term of the asset. The expected credit losses for these financial assets are calculated using a provision matrix based on historical credit losses, current conditions and forecasts for future economic conditions and the time value of money if applicable. For all other financial assets, the group shall measure a loss allowance to an amount that corresponds to 12 months' expected credit losses. For financial instruments for which a significant increase in credit risk has occurred since the initial recognition date, an allowance is recognized based on credit losses for the entire term to maturity of the asset. Equity instruments are not subject to these impairment rules.

Default is based on an assessment that it is improbable that a counterparty will meet its commitments on the basis of indicators such as financial difficulties and failure to pay. Regardless of the above, this occurs at the latest when the payment is 90 days overdue.

Measurement of financial instruments at fair value

Financial assets and financial liabilities measured at fair value in the balance sheet, or for which disclosures are provided about fair value, are classified into one of three levels based on the information used to determine the fair value.

- **Level 1**, Financial instruments where fair value is determined based on observable (unadjusted) quoted prices in an active market for identical assets and liabilities. A market is considered active if quoted prices from an exchange, broker, industrial group, pricing service, or regulatory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length.
- **Level 2**, Financial instruments where fair value is determined based on valuation models that are based on observable inputs for the asset or liability other than quoted prices included in Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations). Examples of observable inputs within level 2 are:
 - Quoted prices for similar assets and liabilities.
 - Data on which an assessment of price can be based, such as market interest rates and yield curves.
- **Level 3**, Financial instruments where fair value is determined based on valuation models where significant inputs are based on unobservable data.

Accounting policies of the Parent Company

The differences between the accounting policies applied by the group and the Parent Company are described below. The following accounting policies for the Parent Company stated below have been applied consistently for all periods presented in the Parent Company financial statements.

- **Presentation** The income statement and balance sheet of the Parent Company are presented in accordance with the schedules in the Swedish Annual Accounts Act.
- **Income taxes** The Parent Company recognizes untaxed reserves including the deferred tax liability. In the consolidated financial statements, however, untaxed reserves are divided between the deferred tax liability and equity.
- **Subsidiaries** In the parent company, shareholdings in subsidiaries are accounted for on a historical cost basis. Group contributions are recognized as an increase in shares in subsidiaries. The carrying amount is regularly tested against the subsidiaries' consolidated equity and may be subject to impairment.
- **Lease payments** Lease payments are recognized as an expense on a straight-line basis over the lease period unless a different systematic method better reflects the economic benefit over time.
- **IFRS 9** The Parent Company applies a simplified approach to classification under IFRS 9. Otherwise, IFRS 9 is applied in respect of loss allowances, for example.

Approved changes to RFR 2 that have not yet come into effect

The Swedish Financial Reporting Board has not approved any material changes that have not yet come into effect.

Note 2 Segment reporting

BioGaia's operating segments consist of Pediatrics and Adult Health. The Pediatrics segment includes sales of drops, oral rehydration solution (ORS), gut health tablets and cultures as an ingredient in a licensee's product (such as infant formula). The Adult Health segment mainly includes gut health tablets, bone health products and oral health products, as well as sales of cultures as an ingredient in a licensee's dairy product and royalties related to Adult Health products.

Sales and gross profit are reported for the above segments and are monitored regularly by the CEO (who is regarded as the chief operating decision maker) together with Executive Management. There is no monitoring of the company's total assets against the segments' assets.

Other consists of a number of smaller segments, such as revenue related to royalties in subsidiaries. Together these account for less than 10% of sales and are therefore not reported separately.

Net sales by segment

	Group	
	2024	2023
Pediatrics	1,093,278	1,013,522
Adult Health	321,288	275,230
Other	8,153	7,753
	1,422,718	1,296,506

Gross profit by segment

Pediatrics	823,518	760,128
Adult Health	199,072	183,136
Other	8,153	6,925
	1,030,743	950,189
Selling, administrative and R&D expenses	-621,382	-509,281
Other operating income/expenses	14,010	2,191
Operating profit	423,371	443,103
Net financial items	24,448	25,731
Group profit before tax	447,819	468,834

In 2024, SEK 279.0 million (252.1) or 20% (19%) of revenue in the group was attributable to three customers. These three customers belong to both the Pediatrics and Adult Health segments. In 2024, no customer accounted for more than 10% of sales.

Asia Pacific

Pediatrics	238,181	176,797
Adult Health	120,852	121,999
Other	6,798	5,289
	365,831	304,085

EMEA

Pediatrics	423,687	424,930
Adult Health	82,088	65,275
Other	1,336	1,575
	507,111	491,780

Americas

Pediatrics	431,410	411,795
Adult Health	118,348	87,955
Other	18	889
	549,776	500,639
Total	1,422,718	1,296,506

Date of recognition

	Group		Parent Company	
	2024	2023	2024	2023
Performance obligations met on specific date (Product sales)	1,411,616	1,285,944	964,471	905,134
Performance obligations met over time (Licenses and royalties)	11,102	10,561	2,333	2,784
Total	1,422,718	1,296,506	966,804	907,918

Contractual assets

Accrued income (Royalties)	447	684	351	351
Total	447	684	351	351

Contractual assets where performance obligations are met over time refer to royalties. The variation between the periods is primarily related to timing of invoicing.

Contractual liabilities

Prepayments from customers	19,553	26,428	-	180
Total	19,553	26,428	-	180

Contractual liabilities where performance obligations are met over time refer to prepayments from customers of exclusivity remuneration, license and royalty revenue. The change relates to a reduction in liability for license and exclusivity remuneration.

For contractual liabilities at the beginning of the year, SEK 6.0 million was recognized as revenue during the year. For contractual liabilities at the end of the year, these will be recognized as revenue over the next five years.

Performance obligations met on specific date (Product sales)

	Group	
	2024	2023
Pediatrics	1,093,278	1,013,522
Adult Health	311,003	266,030
Other	7,335	6,392
Total	1,411,616	1,285,944

Performance obligations met over time (royalties)

Pediatrics	-	-
Adult Health	10,285	9,201
Other	817	1,361
Total	11,102	10,562

Of the group's assets, which amount to SEK 2,034.0 million (2,333.2), more than 75% (80%) are located in Europe. Of the group's capital expenditure on property, plant and equipment during the year, totaling SEK 13.8 million (48.6), more than 70% (90%) took place in Europe.

Sales in Sweden accounted for SEK 22.9 million (23.4) or 2% (2%) of total revenue in the group. The group's largest markets are the US, China, Brazil, Canada and Japan (US, Brazil, China, Canada and Japan). These markets account for approximately 41% (39%) of total revenue.

The group's non-current assets amount to SEK 423.8 million (458.8), of which SEK 193.1 million (242.0) is located in Sweden and SEK 230.7 million (216.8) in other countries (US, Japan and Canada).

Note 3 Employees and personnel expenses, remuneration to senior executives

Average number of employees by country

	2024	of whom men	2023	of whom men
Parent Company:				
Sweden	106	40	108	37
Subsidiaries:				
Sweden	35	26	36	26
Japan	35	15	35	14
US	31	11	28	10
Finland	3	-	2	-
United Kingdom	2	1	1	1
Canada	4	2	3	2
Australia	2	1	-	-
Total subsidiaries	112	56	105	53
Total group	217	96	213	90

The number of employees in the group at December 31, 2024 was 225 (210).

Salaries and other remuneration divided by country and between the Board/CEO and other employees

	2024 Board, CEO and Vice Presidents	2024 Other employees	2023 Board, CEO and Vice Presidents	2023 Other employees
Parent Company:				
Sweden	13,822	86,986	11,973	79,236
Subsidiaries:				
Sweden	1,712	14,538	1,426	15,884
Japan	4,070	10,995	4,400	6,825
US	3,702	26,010	2,664	26,904
Finland	1,392	1,243	1,251	574
United Kingdom	1,701	661	1,650	-
Canada	3,056	3,269	2,752	1,840
Australia	1,322	188	-	-
Total subsidiaries	16,955	56,904	14,143	52,027
Total group	30,777	143,890	26,116	131,263

Total salaries and social security expenses

	Group		Parent Company	
	2024	2023	2024	2023
Salaries and other remuneration	174,667	157,379	100,808	91,209
Pension expenses, Board, CEO and Vice Presidents	2,713	2,118	2,005	1,475
Pension expenses, other employees	15,114	13,582	13,373	12,400
Other social security expenses	43,928	42,204	33,809	32,836
Total	236,421	215,283	149,995	137,920

Pensions and health insurance

All employees in Sweden are subject to mandatory retirement in accordance with Swedish law. The company has no pension commitments other than the payment of annual pension insurance premiums. For all employees except the CEO*) over the age of 25 years, the following pension insurance premiums are paid in relation to salary:

Pensionable salary within the range:	0-7.5 income base amounts	>7.5-30 income base amounts	>30 income base amounts
Premium	4.5%	30%	0%

*) For the CEO, pension insurance premiums are paid at 30% of annual salary.

All employees in Sweden are covered by health insurance, with benefits. This health insurance is activated after 90 days of sick leave. Together with the employer's health insurance and compensation from the Social Insurance Agency, the employee receives total benefits equal to approximately 65-87% of salary after a qualifying period of 3 months (depending on the level of salary). The company also pays sick pay during the qualifying period, i.e., from day 15 to day 90, when the health insurance is activated. Compensation from the Social Insurance Agency from day 15 corresponds to just under 80% of salary, capped at an annual salary of 7.5 price base amounts. During this period, the company pays compensation for loss of income so that the employee, regardless of salary level, receives a total of 80% of salary together with compensation from the Social Insurance Agency.

BioGaia's incentive scheme for employees

BioGaia had a bonus program for all employees in the Parent Company and parts of the group in 2024. The bonus is based partly on whether sales and operating profit reach budgeted levels and partly on a number of key qualitative targets for operations.

The maximum bonus amounts to 12% of salary. For 2024, the bonus achieved in the parent company was approximately 12% (12), and the cost of the program for the group was SEK 16.6 million (16.0 million). An extra bonus was approved for the CEO for 2024 totaling SEK 2.4 million.

Subscription warrants program

BioGaia implemented a subscription warrants program as resolved by the 2021 Annual General Meeting. The program involved the issue of a maximum of 365,000 warrants where each warrant entitled the holder during the

period from July 6, 2024, through November 6, 2024 to subscribe for five new class B shares in BioGaia for a subscription price per five shares that amounts to SEK 578.2. Following the share split that took place in 2022, each option gave a right to subscribe to five shares (previously one share) for a subscription price of SEK 115.6 (previously SEK 578.2). The employees were invited to purchase the warrants at an amount of SEK 55.6 which was the market value determined by an external valuation using a Black-Scholes model. Significant assumptions in model included a share price of SEK 413.0, risk-free interest of 0%, volatility of 37% and a time of period of 3.5 years. A total of 89,730 warrants were subscribed for.

The number of warrants in the beginning of the year amounted to 73 030. During the year 36 000 warrants have been exercised at an average price per share of SEK 126.7. The number of shares and votes in BioGaia increased due to the exercise of 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. The exercise period ended in the fourth quarter of 2024 and the remaining warrants forfeited. Furthermore, the 2024 Annual General Meeting resolved on a new employee stock option program.

As part of the incentive program, participants were offered a stay-on bonus in the form of a gross salary bonus from the company corresponding to 50% of the amount the participant paid for the warrants. The first bonus payment, corresponding to 15% of the amount paid by the participant for the warrants, took place one year after the participant purchased the warrants. The second bonus payment, corresponding to 15% of the amount paid by the participant for the warrants, took place two years after the participant purchased the warrants. The third bonus payment, corresponding to 20% of the amount paid by the participant for the warrants, took place three years after the participant purchased the warrants. Bonus payments required that the participant remained employed by the company or its subsidiaries on the date of the bonus payment.

Remuneration to senior executives

Remuneration to the Chairman and members of the Board is paid according to the decision of the Annual General Meeting. The Board has appointed a Remuneration Committee consisting of Board Chairman Peter Rothschild, Board member Anthon Jahreskog and David Dangoor (Vice Chairman). The Remuneration Committee shall prepare matters related to remuneration and other terms of employment for senior executives. The principles for remuneration to senior executives are approved by the Annual General Meeting. The task of the Remuneration Committee is to prepare recommendations in accordance with these principles. Remuneration to the CEO and other senior executives employed by the company consists of fixed salary, variable remuneration and other benefits. Other senior executives refer to the six people who together with the CEO and Vice Presidents make up the Executive Management.

In the event of termination by the company, the CEO and Vice Presidents are entitled to full salary during a notice period of up to 18 months. In the event of termination by the company, other senior executives have a statutory notice period of at least three months in accordance with the Swedish Employment Protection Act. In other respects, the CEO and Vice Presidents have the same benefits as other employees. There are no agreements regarding severance pay for either the CEO or other senior executives.

Remuneration and other benefits during the year

	Directors' fees	Fixed salary	Other benefits	Variable remuneration	Pension incl. health insurance	Total
Board Chairman						
Peter Rothschild	935	420	-	-	-	1,355
Vice Chairman:						
David Dangoor	622	-	-	-	-	622
Board members						
Barbro Fridén	290	-	-	-	-	290
Outi Armstrong	290	-	-	-	-	290
Bénédicte Flambard	290	-	-	-	-	290
Anthon Jahreskog	439	-	-	-	-	439
Vesa Koskinen *)	290	-	-	-	-	290
Vanessa Rothschild	352	-	-	-	-	352
Chief Executive Officer						
Theresa Agnew	4,820	73	2,384	1,455	8,732	
Executive Vice Presidents:						
Alexander Kotsinas	2,185		923	551	3,659	
Other seniorexecutives (6 people):						
	9,823		1,216	2,448	13,487	
	3,508	17,248	73	4,524	4,454	29,808

*) The net amount is transferred to the EQT foundation according to EQT's policy for Board remuneration in portfolio companies

Gender distribution

	2024 Women	2024 Men	2023 Women	2023 Men
Board of Directors	4	4	4	4
Management including CEO	4	4	4	4

Note 4 Auditor's fees

	Group		Parent Company	
	2024	2023	2024	2023
Deloitte AB				
Audit fees	1,680	1,500	1,160	1,100
Tax advice	79	-	79	-
Other services	30	20	30	20

Audit assignments refer to the auditors' work on the statutory audit, while auditing activities refer to various types of quality assurance services. Other services are those that cannot be classified as part of the audit assignment, auditing activities or tax advice.

Note 5 Other operating income

	Group		Parent Company	
	2024	2023	2024	2023
Government subsidy	118	377	-	-
Exchange rate gains on receivables and operating liabilities, net	14,047	1,846	14,039	1,844
	14,165	2,223	14,039	1,844

Government subsidy refers to support related to Covid-19 in Japan.

Note 6 Other operating expenses

	Group		Parent Company	
	2024	2023	2024	2023
Exchange rate losses on receivables and operating liabilities, net	155	9	-	-
	155	29	-	-

Note 7 Operating expenses

Operating expenses allocated by type of cost

	Group		Parent Company	
	2024	2023	2024	2023
Cost of sales	391,975	346,316	407,727	385,989
Personnel expenses	242,729	222,398	155,721	144,573
Depreciation/Amortization	76,695	25,281	48,213	3,667
Other operating expenses	302,113	261,631	174,208	163,090
Total	1,013,512	855,626	785,869	697,319

For the Parent Company, operating expenses include lease payments excluding rents of SEK 0 (0.5) million and rents of SEK 10.8 (9.5) million.

The Parent Company's future payment commitments regarding lease payments excluding rents amount to SEK 0 (0.2) million. The Parent Company's lease payments excluding rents fall due for payment with SEK 0 (0.1) million within one year and SEK 0 (0.1) million within two to five years.

The Parent Company's future payment commitments regarding rents amount to SEK 30.7 (32.2) million. The Parent Company's rents fall due for payment with SEK 6.8 (5.9) million within one year, SEK 23.9 (23.4) million within two to five years and SEK 0 (3.0) million after five years.

Research and development expenses
The expenses capitalized in the balance sheet relate to BioGaia's IT development. No other expenses for development in the Parent Company or subsidiaries during the year meet the requirement for capitalization in the balance sheet.

Total research and development expenses

	Group		Parent Company	
	2024	2023	2024	2023
Total research and development expenses excl. amortization	153,830	104,389	145,540	98,654
Development expenses capitalized during the year	-	-	-	-
R&D expenses not capitalized	153,830	104,389	145,540	98,654
Amortization component of R&D expenses *)	3,274	2,387	2,348	1,606
R&D expenses with an effect on profit/loss	157,104	106,776	147,888	100,260

*) This amount refers only to the portion of depreciation on property, plant, equipment and intangible assets (capitalized development costs for IT) attributable to the research and development function in the income statement classified by function.

Note 8 Financial income

	Group		Parent Company	
	2024	2023	2024	2023
Dividend		-	30,000	50,000
Value adjustments of financial liabilities and assets		-		-
Interest income	39,372	41,532	36,757	40,420
	39,372	41,532	66,757	90,420

Note 9 Financial expenses

	Group		Parent Company	
	2024	2023	2024	2023
Value adjustments of financial liabilities and assets	13,480	14,992	-	-
Interest expenses and other financial expenses	1,444	809	1,271	68
	14,924	15,801	1,271	68

Note 10 Tax on profit for the year

	Group		Parent Company	
	2024	2023	2024	2023
Current tax	-112,180	-91,337	-89,070	-71,797
Deferred tax	15,749	-12,145	10,221	-1,342
	-96,431	-103,482	-78,849	-73,139

Deferred tax in untaxed reserves

	Group		Parent Company	
	2024	2023	2024	2023
Deferred tax attributable to untaxed reserves	3,930	3,540	-	-
	3,930	3,540	-	-

Change in deferred tax liability

	Group	
	2024	2023
Opening balance deferred tax liability	15,179	12,552
Resolution of deferred tax liability	-10,253	-
Provision for deferred tax liability	518	2,627
Closing deferred tax liability	5,444	15,179

The deferred tax liability in untaxed reserves of SEK 3.9 million and relating to buildings of SEK 1.0 million is attributable to the subsidiary BioGaia Production AB. The deferred tax liability from BioGaia USA amounts to SEK 0.5 million and the other deferred tax liability related to ongoing research and development projects in MetaboGen has been settled during the year.

Change in deferred tax assets

	Group	
	2024	2023
Opening balance deferred tax asset	5,964	15,325
Increase in deferred tax asset	8,303	-
Resolution of deferred tax asset	-	-9,361
Closing deferred tax asset	14,267	5,964

The deferred tax asset of SEK 0.4 million relates to the subsidiary BioGaia Japan Inc. Deferred tax assets of SEK 7.5 million relate to internal profit in inventory and SEK 2.7 million to capitalized losses in Australia and New Zealand. The remaining deferred tax assets pertain to a provision for future credit losses of SEK 3.0 million and leasing.

The gross amount relating to deferred tax for leases entails a deferred tax liability of SEK 6.2 (7.4) million and deferred tax asset of SEK 6.4 (7.5) million.

Reconciliation of nominal tax and actual tax expenses

	Group		Parent Company	
	2024	2023	2024	2023
Reported profit before tax	447,819	468,834	413,269	406,666
Tax rate	20.6%	20.6%	20.6%	20.6%
Anticipated tax expense	-92,251	-96,580	-85,133	-83,773
Tax effect of other non-deductible and non-taxable items	-3,982	-7,583	6,285	10,634
Tax effect of other rates for foreign subsidiaries	-198	-131	-	-
Tax effect on unrecognized deferred tax on loss carryforwards	-	-	-	-
Tax effect attributable to previous years	-	812	-	-
Other tax adjustment	-	-	-	-
Actual tax expense	-96,431	-103,482	-78,848	-73,139

The tax rate for the group amounted to 22% (22%) of profit for the year after financial items.

Note 11 Intangible assets

Group

	R&D projects in progress	Good-will	Development costs	Total intangible assets
Accumulated cost				
Opening balance January 1, 2023	45,850	171,292	6,933	224,075
Additions	-	-	155	155
Exchange differences	-	-6,118	-	-6,118
Closing balance, December 31, 2023	45,850	165,174	7,088	218,112
Opening balance January 1, 2024	45,850	165,174	7,088	218,112
Additions	-	-	387	387
Exchange differences	-	15,299	-	15,299
Closing balance, December 31, 2023	45,850	180,403	7,475	233,728

Accumulated depreciation

Opening balance January 1, 2023	0	0	6,708	6,708
Depreciation/Amortization	0	0	0	0
Closing balance, December 31, 2023	0	0	6,708	6,708

Opening balance January 1, 2024	-	-	6,708	6,708
Depreciation/Amortization	0	0	0	0
Impairment	45,850	5,300	0	51,150
Closing balance December 31, 2024	45,850	5,300	6,708	57,858

Carrying amounts:

At January 1, 2023	45,850	171,292	225	217,367
At December 31, 2023	45,850	165,174	380	211,404
At December 31, 2024	0	175,103	767	175,871

Parent Company

	R&D projects in progress	Good-will	Development costs	Total intangible assets
Accumulated cost				

Opening balance January 1, 2023	0	-	6,933	6,933
Additions	45,850	-	115	46,005
Closing balance, December 31, 2023	45,850	-	7,088	52,938

Opening balance January 1, 2024	45,850		7,088	52,938
Additions		-	387	387
Closing balance December 31, 2024	45,850		7,475	53,325

Accumulated depreciation

Opening balance January 1, 2023	-	-	6,708	6,708
Depreciation/Amortization	-	-	-	-
Closing balance, December 31, 2023	-	-	6,708	6,708

Opening balance January 1, 2024	-	-	6,708	6,708
Impairment	45,850	-	-	45,850
Closing balance December 31, 2024	45,850	-	6,708	52,558

Carrying amounts:

At January 1, 2023	-	-	225	225
At December 31, 2023	45,850	-	380	46,230
At December 31, 2024	-	-	767	767

MetaboGen Last year, the group recognized intangible assets from the acquisition of MetaboGen amounting to SEK 45.8 million and related to research and development projects, along with SEK 5.3 million as goodwill. During the third quarter of 2024, the intangible assets were fully impaired due to a clinical study that did not meet its preliminary outcome measure. The company will not allocate more resources to the projects and there are no positive cash flows.

Nutraceuticals The group recognizes excess values from the acquisition of Nutraceuticals amounting to SEK 2.2 million related to buildings and land, along with SEK 175.1 million as goodwill. In connection with the year-end closing, an impairment test was conducted using a cash flow model where the value was allocated to the cash-generating units Adult Health and Pediatrics within BioGaia USA.

Testing for impairment was carried out based on Executive Management's future forecasts for the two cash-generating units and assumptions with the exception of forecasts were not differentiated. These forecasts were prepared internally by Executive Management based on their collective experience and their best assessment of the company and market growth. Significant assumptions in the model include future revenue, operating margin and discount rate. The forecast period is 5 years and the model includes a terminal value with a growth assumption of 2%. The discount rate is 12.68% (10.41%). Future costs are based on Executive Management's budget and forecasts. Testing for impairment shows no impairment requirement exists relating to the intangible assets. To support the impairment testing performed, an overall analysis has been performed of the sensitivity of the assumptions used in the model. A 5% increase in the discount rate would not lead to any impairment requirement. No reasonable possible change in any key assumption leads to any impairment requirement. See also Note 27 for further information.

Note 12 Right-of-use assets

Group	Land and buildings	Equipment	Total rights of use
Accumulated cost			
Opening balance January 1, 2023	44,421	2,035	46,456
Additions	30,562	257	30,819
Disposals	0	0	0
Closing balance, December 31, 2023	74,983	2,292	77,275
Opening balance January 1, 2024	74,983	2,292	77,275
Additions	3,447	0	3,447
Disposals	-1,890	-	-1,890
Translation differences	-458	-35	-493
Closing balance December 31, 2024	76,082	2,257	78,339

Accumulated depreciation

Opening balance January 1, 2023	31,383	1,516	32,899
Depreciation/Amortization	10,277	478	10,755
Reversal of impairment	-2,535	-	-2,535
Closing balance, December 31, 2023	39,125	1,994	41,119
Opening balance January 1, 2024	39,125	1,994	41,119
Depreciation/Amortization	8,747	137	8,884
Disposals	-1,890	-	-1,890
Translation differences	43	-	43
Closing balance December 31, 2024	46,025	2,131	48,156
Carrying amounts:			
At January 1, 2023	13,038	519	13,557
At December 31, 2023	35,858	298	36,156
At December 31, 2024	30,057	126	30,183

The group mainly leases buildings, but also IT equipment. The average remaining lease term is 2 years. A maturity analysis of lease liabilities and marginal borrowing rate is presented in Note 26. No extension options of significance are found in the leases.

Amounts recognized in profit or loss related to right-of-use assets

	Group	
	2024	2023
Depreciation on right-of-use assets	8,884	8,220
Interest expenses for lease liabilities	947	878
Costs related to short-term leases and low-value leases	2,663	6,344
Total	12,494	15,442

Total cash flow for leases amounted to approximately SEK 12.5 million (17.9).

Note 13 Property, plant and equipment

Group					
	Land and buildings	Production and laboratory equipment	Work in progress*	Equipment, computer	Total property, plant and equipment
Accumulated cost:					
Opening balance January 1, 2023	128,781	76,138	8,607	41,378	254,904
Additions	-	1,688	39,876	7,003	48,567
Disposals	-	-	-	-484	-484
Exchange differences	-917	-	-	-274	-1,191
Closing balance December 31, 2023	127,864	77,826	48,483	47,623	301,796
Opening balance January 1, 2024	127,864	77,826	48,483	47,623	301,796
Additions	7,019	633	792	5,243	13,687
Disposals	-	-	-	-558	-558
Reclassifications	27,749	20,042	-47,790	-	0
Exchange differences	1,035	-	-	338	1,373
Closing balance December 31, 2024	163,667	98,501	1,485	52,646	316,298
Accumulated depreciation:					
Opening balance January 1, 2023	31,642	52,403	0	26,691	110,736
Depreciation/Amortization	4,662	7,404	-	2,461	14,526
Disposals	-	-	-	-484	-484
Exchange differences	-119	-	-	-35	-154
Closing balance December 31, 2023	36,185	59,807	-	28,632	124,624
Opening balance January 1, 2024	36,185	59,807	-	28,632	124,624
Depreciation/Amortization	5,195	8,577	-	2,905	16,677
Disposals	-	-	-	-505	-505
Exchange differences	50	-	-	16	66
Closing balance December 31, 2024	41,429	68,384	-	31,048	140,862

Carrying amounts

At January 1, 2023	97,139	23,735	8,607	14,687	144,168
At December 31, 2023	91,679	18,019	48,483	18,991	177,172
At December 31, 2024	122,237	30,117	1,485	21,598	175,436

Parent Company

	Production and laboratory equipment	Equipment and computers	Total property, plant and equipment
Accumulated cost:			
Opening balance January 1, 2023	12,701	12,806	25,507
Acquisitions through mergers	9,724		9,724
Additions	1,688	-	1,688
Closing balance, December 31, 2023	24,113	12,806	36,919
Opening balance January 1, 2024	24,113	12,806	36,919
Disposals	-258	-	-258
Additions	633	-	633
Closing balance December 31, 2024	24,488	12,806	37,294
Accumulated depreciation:			
Opening balance January 1, 2023	9,511	12,681	22,192
Acquisition through merger	2,233	-	2,233
Depreciation/Amortization	2,319	87	2,406
Closing balance, December 31, 2023	14,053	12,768	26,821
Opening balance January 1, 2024	14,053	12,768	26,821
Disposals	-205	-	-205
Depreciation/Amortization	2,343	20	2,363
Closing balance December 31, 2024	16,191	12,788	28,979

Carrying amounts:

At January 1, 2023	3,190	125	3,315
At December 31, 2023	10,060	38	10,098
At December 31, 2024	8,297	18	8,315

Depreciation of property, plant and equipment is recognized on the following lines in the income statement

	Group		Parent Company	
	2024	2023	2024	2023
Cost of sales	9,847	8,293	-	-
Selling expenses	2,840	3,109	12	685
Administrative expenses	698	738	3	152
Research and development expenses	3,274	2,387	2,348	1,606
	16,660	14,526	2,363	2,444

Note 14 Financial assets

Parent Company

Participations in group companies	2024	2023
At beginning of year	247,575	328,808
Group contribution paid to BioGaia Pharma AB	2,306	3,974
Group contribution paid to BioGaia New Science	438	-
Group contribution paid to TriPac AB	3	3
Group contribution paid to BioGaia Invest AB	1	2,222
Impairment loss on shares in subsidiaries	-2,744	-3,974
Merger MetaboGen	-	-88,005
Shareholder contribution to BioGaia New Science	5,050	-
Shareholder contribution to BioGaia Finland OY	-	2,203
Shareholder contribution to Australia	3,678	-
Shareholder contribution to BioGaia Probiotics Canada Inc.	-	2,344
Carrying amount at year-end	256,307	247,575

Specification of the Parent Company's equity holdings in group companies

Subsidiary/Corp. reg. no./Domicile	No. of shares	Hold- ing, %	Carry- ing amount
BioGaia Biologics Inc. /-/Raleigh, NC, USA	100,000	100	134,851
TriPac AB /556153-2200/Stockholm	10,000	100	3,613
CapAble AB /556768-3601/Stockholm	10,000	100	0
BioGaia Pharma AB /559114-8191/ Stockholm	48,000	96	21,142
BioGaia Japan Inc. /-/Hiroshima, Japan	180	100	0
BioGaia Invest AB /559306-5849/ Stockholm	10,000	100	25,249
BioGaia UK Limited /13574654/ London	1	100	2,360
BioGaia Finland OY /3206997-7/ Helsinki	10	100	10,399
BioGaia Probiotics Canada Inc. /1000200438/ Toronto	1	100	9,325
BioGaia Australia PTY LTD/ 674 500 791/ New South Wales	100	100	3,677
BioGaia New Science AB / 559371-5252 / Stockholm	50,000	100	5,050
BioGaia Production AB /556591-9767/Eslöv	10,000	100	40,641
			256,307

The assets and liabilities of the American subsidiary BioGaia Biologics Inc., as well as its wholly owned subsidiaries Nutraceuticals Inc. and BioGaia USA Inc., have been translated at the closing day rate of exchange of SEK 11.00 (10.04). Income statement items have been translated at an average exchange rate of SEK 10.52 (10.61).

The assets and liabilities of the Japanese subsidiary BioGaia Japan Inc. have been translated at an exchange rate of SEK 0.0698 (0.0710). Income statement items have been translated at an exchange rate of SEK 0.0702 (0.0760). The resulting translation differences have been recognized in consolidated comprehensive income.

BioGaia Pharma AB was formed in 2017. BioGaia owns 96% of the company. BioGaia Pharma's CEO, Nigel Titford, owns 4% of the company. The minority share of equity in BioGaia Pharma amounts to SEK 2,000.

Of total purchases made by the Parent Company, 30.7% (34.1%) was attributable to group companies. Of the Parent Company's sales, 15.3% (15.1%) went to group companies.

Note 15 Inventories

	Group		Parent Company	
	2024	2023	2024	2023
Raw materials and consumables	27,728	30,094	-	-
Finished goods and goods for resale	125,161	151,110	78,989	116,401
	152,889	181,204	78,989	116,401

The group's provision for obsolescence amounted to SEK 15.2 million (10.0) at December 31, 2024. Expenses relating to impairment losses on inventory and scrapping amounted to SEK 10.9 million (5.9).

Note 16 Accounts receivable

Provisions for accounts receivable amounted to SEK 16.9 million (8.3) at December 31, 2024.

The provisions relate partly to impairment of identified doubtful receivables of SEK 8.4 million (3.6) and partly to a provision for expected losses in accordance with IFRS 9 of SEK 8.5 million (4.8).

At December 31, 2024, accounts receivable amounting to SEK 41.6 million (27.3) were overdue. Of the overdue receivables, SEK 33.9 million had been recovered as of the date of signing of the financial statements.

Age analysis

	Group		Parent Company	
	2024	2023	2024	2023
Receivables not overdue	156,715	83,973	114,170	56,076
Less than 3 months	33,183	22,746	24,934	19,404
3–6 months	7,861	3,354	7,660	3,834
More than 6 months	520	589	-	570
Expected loss provision, IFRS 9	-8,505	-4,787	-6,355	-3,500
	189,774	105,875	140,409	76,384

The carrying amounts, by currency are as follows

	Group		Parent Company	
	2024	2023	2024	2023
EUR	43,348	33,660	42,318	33,049
USD	95,479	39,714	76,656	29,676
SEK	27,774	16,385	27,761	16,359
JPY	17,185	13,391	-	-
GBP	4,918	2,453	-	800
CAD	5,279	5,059	-	-
AUD	3,897	-	-	-
Övriga valutor	399	-	29	-
Expected loss provision, IFRS 9	-8,505	-4,787	-6,355	-3,500
	189,774	105,875	140,409	76,384

Note 17 Related party transactions

Group

Annwall & Rothschild Investment AB owns 3,703,340 class A shares and 500,000 class B shares, which corresponds to 4.2% of capital and 27.9% of voting rights. Annwall & Rothschild Investment AB is owned by the founders Jan Annwall and Peter Rothschild, who is the Chairman of the Board of BioGaia. Transactions that occurred in 2024 include a dividend of SEK 6.90 per share as well as remuneration and directors' fees – for more information see Note 3.

Parent Company

The Parent Company owns 100% of the shares in BioGaia Production AB, BioGaia Biologics Inc., USA, BioGaia Japan Inc., Capable AB, Tripac AB, BioGaia Invest AB, BioGaia Finland Oy, BioGaia UK Ltd, as well as BioGaia Probiotics Canada Inc., BioGaia Australia PTY LTD and BioGaia New Sciences.

The Parent Company owns 96% of the shares in BioGaia Pharma AB.

The following transactions have taken place with BioGaia Production AB:

	Parent Company	
	2024	2023
Purchase of services	-2,900	-1,156
Purchase of goods	-241,528	-223,024

Goods are purchased on a cost-plus basis.

The following transactions have taken place with BioGaia Japan Inc.

	Parent Company	
	2024	2023
Interest income	2,296	2,670
Sale of goods	18,411	22,604

The following transactions have taken place with BioGaia Biologics Inc. and BioGaia USA Inc.:

	Parent Company	
	2024	2023
Purchase of services	-13,866	-13,407
Sale of goods	72,318	83,714

The following transactions have taken place with BioGaia Probiotics Canada Inc.

	Parent Company	
	2024	2023
Shareholder contributions provided	-	-2,344
Sale of goods	41,313	35,914

The following transactions have taken place with BioGaia Pharma AB:

	Parent Company	
	2024	2023
Sale of services	1,428	371
Group contribution paid	-2,306	-3,974

The following transactions have taken place with Tripac AB

	Parent Company	
	2024	2023
Group contribution paid	-3	-4

The following transactions have taken place with BioGaia Invest AB:

	Parent Company	
	2024	2023
Shareholder contributions provided	-	-2,221
Group contribution paid	-1	-1

The following transactions have taken place with BioGaia Finland

	Parent Company	
	2024	2023
Sale of goods	13,041	6,118
Shareholder contribution	-	-2,203

The following transactions have taken place with BioGaia UK

	Parent Company	
	2024	2023
Sale of goods	9,259	4,703
Shareholder contribution	-267	-246

The closing balance at the end of the period was as follows

BioGaia New Sciences AB

	Parent Company	
	2024	2023
Group contribution paid	-398	-
Shareholder contribution	-5,050	-

BioGaia Australia PTY LTD

	Parent Company	
	2024	2023
Sale of goods	2,048	-
Interest income	124	-

BioGaia Nya Zealand

	Parent Company	
	2024	2023
Sale of goods	284	-

	Parent Company	
	Dec. 31, 2024	Dec. 31, 2023
Non-current receivables from subsidiaries		
Non-current receivables BioGaia Australia PTY LTD	5,516	-

Current liabilities to subsidiaries		
Current liabilities BioGaia Biologics Inc	-8,647	-5,224
Current liabilities CapAble AB	-4,287	-4,287
Current liabilities BioGaia Finland OY	-	-346
Current liabilities BioGaia Pharma AB	-6,781	-7,451
Current liabilities BioGaia Production AB	-46,593	-14,570
Current liabilities BioGaia Invest AB	-773	-773
Current liabilities to New Sciences AB	-398	-
	-67,479	-32,651
Current receivables from subsidiaries		
Current receivables Tripac	296	299
Current receivables BioGaia UK	6,154	1,759
Current receivables BioGaia Probiotics Canada	13,046	23,234
Current receivables Finland	2,561	-
Current receivables BioGaia Australia	3,895	-
Current receivables BioGaia NZ	435	-
Current receivables BioGaia Japan Inc.	17,992	12,623
	44,379	37,915

See also note 3 for other transactions with related parties.

Note 18 Other current receivables

	Group		Parent Company	
	2024	2023	2024	2023
VAT refund	21,011	21,252	21,011	21,252
Current tax assets	1,484	5,668	-	-
Other receivables	9,851	6,395	2,588	3,601
	32,346	33,315	23,599	24,853

Note 19 Deferred expenses and accrued income

	Group		Parent Company	
	2024	2023	2024	2023
Accrued income	351	351	351	351
Prepaid rent	1,615	1,714	1,615	1,714
Other deferred expenses	9,226	7,460	1,878	873
	11,192	9,525	3,844	2,938

Note 20 Financial assets and liabilities

	December 31, 2024		December 31, 2023	
	Fair value through profit and loss	Accrued cost	Fair value through profit and loss	Accrued cost
Financial assets				
Accounts receivable	-	189,774	-	105,875
Shares in unlisted companies	28,013	-	28,013	-
Cash and cash equivalents	-	1,223,984	-	1,544,192
Financial liabilities				
Accounts payable	-	48,299	-	49,308
Provision for additional purchase price	65,053	-	46,529	-

Measurement of financial instruments at 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 fourth quarter of 2024, and BioGaia's best assessment of the fair value of the financial liability relating to the additional purchase price at December 31, 2024 amounts to SEK 65.1 million. Estimates of fair value are based on Level 3 of the hierarchy for fair value, which means fair value is determined using a valuation

model 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 13.5 million (15.0) during the twelve-month period. The weighted average cost of capital (WACC) amounted to 12.68% (10.41% at December 31, 2023). The main impact for the value adjustment was a more positive outlook on sales at the end of the earnout period.

Provision for additional purchase price

	Jan - Dec 2024	Jan-Dec 2023
At beginning of period	46,529	33,627
Value adjustment	13,483	14,992
Exchange differences	5,041	-2,090
At end of period	65,053	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 a valuation model where significant inputs are based on unobservable data.

Financial assets

	Jan-Dec 2024	Jan-Dec 2023
At beginning of period	28,013	25,793
Value adjustment	-	-
Acquisition	-	2,220
At end of period	28,013	28,013

Other financial assets and liabilities

Accounts receivable, accounts payable, prepayments from customers, and accrued income normally have a term that is less than three months; therefore, the book value is a good approximation of the fair value.

Note 21 Equity

The objective of the group's capital management is to ensure the group's ability to continue as a going concern and to provide a good return to shareholders. The total number of shares in BioGaia amounts to 101,162,310, of which 3,703,340 are class A shares with ten votes each and 97,458,970 are class B shares with one vote each, corresponding to a total of 134,492,370 votes. The share capital amounts to SEK 20,232,462. Class A and B shares grant equal entitlement to the company's assets and profits. The quota value for both class A and B shares is SEK 5 per share. All shares are fully paid-up and no shares are reserved for transfer. No shares are held in treasury by the company itself or by its subsidiaries.

Other contributed capital consists of payments made by shareholders in excess of the quota value. Parts of the subscription warrants issued in BioGaia's incentive program 2021/2024 were exercised for share subscription during the year. This resulted in an increase in equity of SEK 20,815,200, of which SEK 36,000 increased share capital. The foreign currency translation reserve arises in the translation of foreign net assets according to the acquisition method.

The Board proposes that the upcoming Annual General Meeting on May 7, 2025, approves an ordinary dividend according to policy of SEK 1.95 (1.90) per share, plus an extra dividend of SEK 4.95 (5.00) per share, resulting in a total dividend of SEK 6.90 (6.90) per share, corresponding to SEK 698.0 million (696.8). The Board further proposes to the forthcoming Annual General Meeting a provision to the Foundation to Prevent Antibiotic Resistance of SEK 5.0 million (4.4).

Non-controlling interests account for 4.0% of the subsidiary BioGaia Pharma's equity.

Equity in the BioGaia group consists of the sum of equity attributable to the shareholders of BioGaia AB and equity attributable to non-controlling interests. At year-end, total consolidated equity amounted to SEK 1,723.9 million (2,030.3) and equity attributable to owners of the Parent Company amounted to SEK 1,723.9 million (2,030.3).

In addition to the current dividend policy of 50% of the Group's profit after tax and after adjustments for non-recurring items, BioGaia intends to pay extra dividends of 50–100% of the Group's profit after tax and after adjustments for non-recurring items in the coming years, provided that future cash flows align with BioGaia's forecasts.

Note 22 Proposed appropriation of profits

The following funds in the Parent Company are at the disposal of the Annual General Meeting:

Retained earnings	970,101
Profit for the year	334,421
Profits available for appropriation	1,304,522
The Board of Directors proposes that the profits be appropriated as follows	
To be paid as a dividend to the shareholders	698,020
Provision to the Foundation to Prevent Antibiotic Resistance	5,000
To be carried forward to new account	601,502
Total	1,304,522

Note 23 Other liabilities

	Group		Parent Company	
	2024	2023	2024	2023
Employee withholding tax	2,846	2,690	2,557	2,412
Current tax liabilities	33,462	33,027	30,769	28,350
Other current liabilities	11,445	15,817	-	-
	47,753	51,534	33,326	30,762

The item other current liabilities includes a short-term lease liability of SEK 7.1 million (8.8).

Note 24 Accrued expenses and deferred income

	Group		Parent Company	
	2024	2023	2024	2023
Accrued vacation pay	20,359	17,104	18,295	14,849
Accrued social security expenses	2,883	2,508	2,194	1,893
Other accrued expenses and deferred income	78,074	66,748	67,876	60,285
	101,316	86,360	88,363	77,027

Note 25 Pledged assets and contingent liabilities

	Group		Parent Company	
	2024	2023	2024	2023
Pledged assets	-	-	-	-
Corporate liens	-	-	-	-
Contingent liabilities	None	None	None	None

Note 26 Policy for financial risk management

The overall objective of the group's finance function is to provide cost-effective financing for the group's operations and group companies, as well as to provide secure cash management with market-based returns on invested funds. The overall objective of financial risk management is to minimize the risks of negative impact on the group's earnings. Consequently, the group's financial investments must have a low risk profile. Below is a description of the group's assessed risk exposure and related risk management:

Currency risk

BioGaia operates in various geographical markets and has revenue and expenses in different currencies. This affects both transaction exposure (cash flow) and translation exposure (balance sheet).

Transaction exposure

Breakdown of net sales in 2024 was approximately:	Breakdown of expenses in 2024 was approximately:
EUR 30% (32%)	SEK 58% (52%)
USD 47% (45%)	EUR 13% (17%)
SEK 10% (911%)	USD 19% (21%)
Other currencies 13% (12%)	Other currencies 10% (10%)

In 2024, the company had a cash flow surplus of approximately EUR 25.4 million (23.9) and a cash flow surplus of USD 45.2 million (38.8).

The average exchange rate for EUR/SEK in 2024 was 11.41 (11.48). If EUR/SEK had been SEK 1.0 higher/lower, BioGaia's revenue would have been approximately SEK 36.9 million higher/lower and operating profit approximately SEK 25.4 million higher/lower. The average exchange rate for USD/SEK in 2024 was 10.52 (10.61). If USD/SEK had been SEK 1.0 higher/lower, BioGaia's revenue would have been approximately SEK 63.4 million higher/lower and operating profit approximately SEK 45.2 million higher/lower. A stronger SEK rate, primarily against EUR and USD, reduces BioGaia's sales and profit, but by working to reallocate a portion of expenses to EUR, the company is working to minimize the impact on profit.

Translation exposure

Translation exposure is the risk that the value of the group's net investments in foreign currencies is negatively affected by changes in foreign exchange rates.

The group has nine foreign subsidiaries: three in the US, one in Japan, one in Finland, one in the UK, one in Canada, one in Australia, and one in New Zealand. The assets and liabilities of the US subsidiaries have been translated at the closing day rate of SEK 11.00 (10.04). The assets and liabilities of the Japanese subsidiary BioGaia Japan Inc. have been translated at the closing day rate of SEK 0.0698 (0.0709). The assets and liabilities of the Finnish subsidiary BioGaia Finland Oy have been translated at the closing day rate of SEK 11.49 (11.00). The assets and liabilities of the British subsidiary BioGaia UK Ltd have been translated at the closing day rate of SEK 13.85 (12.77). The assets

and liabilities of the Canadian subsidiary BioGaia Probiotics Canada Inc. have been translated at the closing day rate of SEK 7.64 (7.58). The assets and liabilities of the Australian subsidiary BioGaia Australia PTY LTD have been translated at the closing day rate of SEK 6.86.

The group's translation differences amounted to SEK 38.5 million (15.9). The acquisition of Nutraceuticals in 2021 has led to an increase in translation exposure.

Interest rate and liquidity risk

The group has no external loans. Excess liquidity is invested mainly in banks. For cash and cash equivalents, the company has a liquidity policy where the fundamental principle is to always minimize risks when investing. Investments should primarily be made in Swedish kronor. To minimize currency risks, other currencies may also be considered. The company's cash and cash equivalents should only be placed in bank accounts, commercial paper or other fixed income securities with very limited risk. This means that no investments may be made in shares, equity funds, options, etc.

Credit and counterparty risk

Credit risk refers to the risk that the counterparty in a transaction causes the group a loss by failing to fulfill its contractual obligations. BioGaia's credit risks are tied to accounts receivable and, for the Parent Company, also loans to subsidiaries. When signing agreements with new customers, BioGaia always carries out an assessment of the customer's financial position. The company has procedures in place to collect overdue receivables, and if necessary, further evaluation of the customer's financial position is performed to minimize risks.

The simplified model is used to calculate the expected loss on the group's accounts receivable. When calculating the expected loss, accounts receivable are grouped based on the aging structure of the receivables. The expected credit losses for accounts receivable are calculated using a matrix based on past events, current conditions, and forecasts for future economic conditions.

	Group		Parent Company	
	2024	2023	2024	2023
Accounts receivable gross	206,719	114,218	152,264	84,671
Allowance accounts receivable	-16,945	-8,343	-11,855	-8,287
Accounts receivable net	189,774	105,875	140,409	76,384

	Group		Parent Company	
	2024	2023	2024	2023
Accounts receivable gross	206,719	114,218	152,264	84,671
Allowance opening balance	-8,343	-9,259	-8,287	-4,387
Increase from new receivables	-15,795	-5,362	-11,855	-8,287
Decrease from paid receivables	7,768	6,278	8,287	4,387
Move to impaired	-575	-	-	-
Accounts receivable closing balance	189,774	105,875	140,409	76,384

Accounts receivable are spread across a large number of customers, and no single customer represents a material portion of the total accounts receivable. In addition, accounts receivable are not concentrated to a specific geographical area. The group therefore deems that concentration risks to be limited.

The group's maximum exposure to credit risk consists of the carrying amounts of all financial assets, as shown in the table below.

	Group	
	2024	2023
Accounts receivable	189,774	105,875
Other current receivables	32,346	33,315
Accrued income	11,192	9,847
Cash and cash equivalents	1,223,984	1,544,192
Maximum exposure to credit risk	1,457,296	1,693,229

Cash flow risk

Cash flow for the period amounted to SEK -330.6 million (66.6). Cash flow included a dividend of SEK 696.8 million (292.8) and tax payments of SEK 111.5 million (80.3).

Age analysis of the group's financial liabilities

Due in less than:							
	Inter- est rate	1 month	1-3 months	3-12 months	1-5 years	More than five years	Total
December 31, 2023							
Non-current liability relating to acquisition of Nutraceutics	10%	-	-	-	68,414	-	68,414
Non-current liability liabilities (lease liabilities)	3%	-	-	-	26,356	-	26,356
Other non-current liabilities	-	-	-	-	18,075	-	18,075
Current liabilities	-	49,308	11,464	12,886	-	-	73,658
		49,308	11,464	12,886	112,845	-	186,503
December 31, 2024							
Non-current liability relating to acquisition of Nutraceutics	13%	-	-	-	85,945	-	85,945
Non-current liabilities (lease liabilities)	3%	-	-	-	22,378	1,228	23,606
Other non-current liabilities	-	-	-	-	10,745	-	10,745
Current liabilities	-	48,299	7,736	12,545	-	-	68,579
		48,299	7,736	12,545	119,068	1,228	188,875

Since cash and cash equivalents at December 31, 2024 amounted to SEK 1,224.0 million (1,544.2), no capital injection is required during the immediate 12-month period unless acquisitions are carried out. The group is not exposed to any significant liquidity risk due to lease liabilities. See Note 27 regarding additional financial liability for the additional purchase price of Nutraceutics.

Price risk

BioGaia purchases most of its goods on an international market and has several alternative suppliers, which reduces the company's price risk. BioGaia's price to distributors is largely the same for all customers, but can vary with respect to order volume. Certain markets are subject to aggressive price competition toward consumers. However, BioGaia's strategy is not to compete in terms of price but to convince doctors of the efficacy and safety of the products by showing the results of clinical studies.

Climate-related risk

During the year, BioGaia established climate-related targets to reduce emissions. Active efforts to reduce the company's climate impact could lead to increased resilience, reduced costs and increased goodwill. Climate change in the world also represents a physical risk for BioGaia that may affect the company's facilities and access to important raw materials. BioGaia therefore considers climate risks in the preparation of its financial statements principally in relation to investment decisions and impairment testing.

Note 27 Critical accounting estimates and assumptions

Certain sources of uncertainty in accounting estimates and judgments are described below.

The group recognizes surplus value from the acquisition of Nutraceutics, which amounts to SEK 2.2 million relating to buildings and land and SEK 175.1 million pertaining to goodwill. In connection with the year-end closing, an impairment test was conducted using a cash flow model where the value was allocated to the cash-generating units Adult Health and Pediatrics within BioGaia USA.. Testing for impairment was carried out based on Executive Management's future forecasts. Significant assumptions in the model include future revenue, operating margin and discount rate. Since the valuation is based on an assessment of future cash flows in the business plan for the company, this is inherently uncertain. Since there is a formal commitment to acquire the remaining share of the company, it is recognized by the group in full without a minority interest. This impacts the value of goodwill and liabilities for the additional purchase price, which are substantially impaired.

Financial liability for additional purchase price The group recognizes a financial liability for the additional purchase price pertaining to the remaining shares in Nutraceutics amounting to SEK 65.1 million. BioGaia has a commitment to purchase the remaining share of the company but the price will be determined on the basis of sales in 2026 or 2027. The current assessment is based on the updated business plan and the purchase price uses sales from 2026 and will be settled in April 2027. The nominal value relating to the liability amounts to SEK 68.4 million but as the forecast is uncertain this has been discounted with a WACC of 12.68% (10.41). The liability is measured according to fair value in the income statement in net financial items. As the measurement includes a number of assessments there is a risk that the liability changes substantially over time.

Note 28 Key events after the end of the financial year

On January 16, BioGaia announced that the company had terminated the distribution agreement with its partner in France and will engage in direct sales instead.

On February 4, BioGaia announced that the results for the fourth quarter would exceed market expectations.

The Board of Directors and the CEO hereby give their assurance that the consolidated financial statements and annual report have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting practices and give a true and fair view of the financial position and results of operations of the group and the parent company. The administration report for the group and the parent company gives a true and fair view of the business activities, financial position and results of operations of the group and the Parent Company and describes the significant risks and uncertainties to which the Parent Company and the group companies are exposed.

Stockholm, March 25, 2025

Peter Rothschild
Chairman

Theresa Agnew
CEO

David Dangoor
Vice Chairman

Outi Armstrong
Member of the Board

Barbro Fridén
Member of the Board

Bénédicte Flambard
Member of the Board

Anthon Jahreskog
Member of the Board

Vesa Koskinen
Member of the Board

Vanessa Rothschild
Member of the Board

Stockholm, March 25, 2025

Deloitte AB

Jenny Holmgren
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of BioGaia AB (publ) corporate identity number 556380-8723

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of BioGaia AB (publ) for the financial year 2024-01-01 - 2024-12-31. The annual accounts and consolidated accounts of the company are included on pages 134-161 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters

Key audit matter

Valuation of goodwill

BioGaia AB has recognized goodwill to SEK 175m as of December 31, 2024. The value of the reported goodwill is dependent on future returns and profitability in the cash-generating units to which the goodwill refers, and the value is tested at least once a year. Management bases its impairment test on several judgement and estimates such as growth, EBIT development and cost of capital (WACC) as well as other complex circumstances.

Management has not identified any need for write-downs. For more information refer to note 11 of management's procedures is described together with important assessments and assumptions. We focused on this area as the reported value of goodwill is material and impairment tests are sensitive to changes in assumptions and is therefore a key audit matter.

Our audit included but was not limited to the following audit procedures:

- Assessment of BioGaia's procedures for impairment testing of goodwill and evaluation that the assumptions made are reasonable, that the procedures are consistently applied and that there is integrity in calculations.
- Verification of input data in calculations including business plans for the forecast period.
- Assessment of the safety margins for each cash-generating unit by perform sensitivity analyses.
- Review of completeness in relevant notes to the financial statements.

We have used the required valuation specialists in our team in carrying out our audit.

Valuation of deferred purchase price

Since the acquisition of Nutraceuticals Corporation BioGaia has a liability for

deferred purchase price for the remaining 20% of the shares, to be settled at completion of the transaction in 2027 or 2028. The purchase price for the acquisition of the remaining shares is determined based on the subsidiary's sales in 2026 or 2027. The value of the liability for the additional purchase price is subject to some uncertainty and has been discounted with a WACC of 12,7 %. As of December 31, 2024, management has performed a revaluation of the liability resulting in an adjustment of SEK 13m reported as financial cost, any further deviations between the estimated deferred purchase price and the actual outcome will be reported in the result until settlement. We focused on this area since the accounting is based on management's assessments and estimates to determine the fair value of the liability for the additional purchase price.

Our audit included but was not limited to the following audit procedures:

- Review the input data of the calculation for the value of the liability.
- Evaluation of the reasonableness of the underlying assumptions for the valuation of the liability.
- Examination that the information provided in notes 20, 26 and 27 is appropriate.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3-133, 164-165 and 170-174. The other information also consists of the Remuneration Report that we obtained prior to the date of this audit report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisorsansvar This description forms part of the auditor's report".

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BioGaia AB (publ) for the financial year 2024-01-01 - 2024-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report. The auditor's examination of the Esef report.

The auditor's opinion on the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for BioGaia AB (publ) for the financial year 2024-01-01 - 2024-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of BioGaia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material BioGaia AB (publ) corporate identity number 556380-8723 misstatements, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of BioGaia AB (publ) by the general meeting of the shareholders on the 2024-05-07 and has been the company's auditor since 2015-05-22.

Stockholm, March 25, 2025
Deloitte AB

Jenny Holmgren
Authorized Public Accountant

Definitions of key ratios

Definitions of key ratios

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.
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.
Gross margin	Gross profit as a percentage of net sales.	The gross margin is used to measure profitability.
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.
Equity per share, diluted	Equity attributable to the owners of the Parent Company divided by the average number of shares after dilution.	Equity per share, diluted, measures the company's net value per share after any dilution due to ongoing incentive programs or similar schemes and indicates whether a company will increase the shareholders' wealth over time.
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.
Earnings per share	Profit for the year attributable to the owners of the Parent Company as a percentage of 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.
Earnings per share (EPS), diluted	Profit for the year attributable to the owners of the Parent Company divided by the average number of shares after dilution.	EPS, diluted, measures how much of net profit is available for payment to shareholders as dividends per share after any dilution due to ongoing incentive programs or similar schemes.
Non-recurring items	Costs related to restructurings, impairments, changes in provisions for share-related long-term incentive programs and other items that affect comparability.	Separate reporting of items that disrupt comparability between different periods provides a greater understanding of the company's financial results.
Operating margin (EBIT margin)	Operating profit expressed as percentage of net sales.	The operating margin is used to measure operational profitability.
Operating profit	Profit before financial items and tax.	Operating profit is used to measure operating profitability.
Equity/assets ratio	Shareholders' equity 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.
Capital employed	Total assets less interest-free liabilities and lease liabilities.	Capital employed measures the company's ability, in addition to cash and cash equivalents, to meet the requirements of business operations.
Growth	Sales for the year minus sales for the corresponding period in the previous year as a percentage of the previous year's period sales. Breakdown by foreign exchange, organic growth and acquisitions.	Shows the company's realized sales growth over time.
Profit 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 rate.

Reconciliation to IFRS

	2024	2023
Return on capital employed		
Operating profit	423,371	443,103
Financial income	39,372	41,532
Profit before net financial items + financial income (A)	462,743	484,635
Total assets	2,034,006	2,333,190
Interest-free liabilities	-304,629	-287,666
Capital employed	1,729,378	2,045,523
Average capital employed (B)	1,887,451	2,015,151
Return on capital employed (A/B)	25%	24%

	2024	2023
Return on equity		
Profit attributable to the owners of the Parent Company (A)	351,388	365,352
Equity attributable to the owners of the Parent Company	1,723,932	2,030,342
Average equity attributable to the owners of the Parent Company (B)	1,877,137	2,001,379
Return on equity (A/B)	19%	18%

	Dec 31, 2024	Dec 31, 2023
Equity/assets ratio		
Equity (A)	1,723,934	2,030,344
Total assets (B)	2,034,006	2,333,189
Equity/assets ratio (A/B)	85%	87%

	2024	2023
Operating margin		
Operating profit (A)	423,371	443,103
Net sales (B)	1,422,718	1,296,506
Operating margin (A/B)	30%	34%

	2024	2023
Profit margin		
Profit before tax (A)	447,819	468,834
Net sales (B)	1,422,718	1,296,506
Profit margin (A/B)	31%	36%

Equity per share	Dec 31, 2024	Dec 31, 2023
Equity attributable to owners of the Parent Company (A)	1,723,932	2,030,342
Average number of shares (B)	101,072	100,982
Equity per share (A/B)	17.06	20.11

Change in sales by segment

Description	Definition	Pediatrics 2024	Adult Health 2024	Other 2024	Total 2024
A Previous year's net sales at average rate		1,013,523	275,231	7,752	1,296,505
B Net sales for the year at average rate		1,093,278	321,288	8,153	1,422,718
C Reported change	B-A	79,755	46,057	401	126,213
Percentage change	C/A	8%	17%	5%	10%
D Net sales for the year at previous year's average rate		1,102,150	324,297	8,154	1,434,601
E Foreign exchange effects	B-D	-8,872	-3,009	0	-11,883
Foreign exchange effects, %	E/A	-1%	-1%	0%	-1%
F Organic change	C-E	88,627	49,066	401	138,096
Organic change, %	F/A	9%	18%	5%	11%

Average key exchange rates

	Group	
	2024	2023
EUR	11.41	11.48
USD	10.52	10.61
JPY	0.0699	0.0760

Adjusted operating profit

	Group	
	Jan-Dec 2024	Jan-Dec 2023
Operating profit	423,371	443,103
Non-recurring items	54,251	1,144
Adjusted operating profit	477,622	444,247

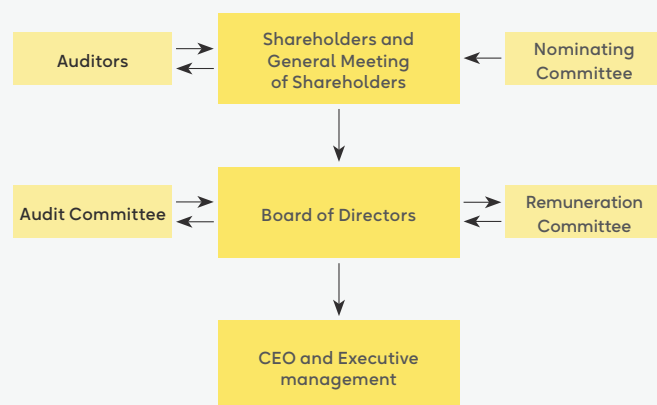
Non-recurring items

	Group	
	Jan-Dec 2024	Jan-Dec 2023
Impairment of intangible assets MetaboGen	51,150	-
Other items	3,101	1,144
Non-recurring items	54,251	1,144

Corporate Governance Report 2024

Corporate governance in BioGaia

BioGaia AB (publ), a Swedish public limited company whose class B shares are listed on the Nasdaq Stockholm, applies the Swedish Corporate Governance Code (the Code). The Code is available at www.bolagsstyrning.se, where the Swedish model for corporate governance is also described. This corporate governance report is submitted in accordance with the Swedish Annual Accounts Act and the Code and describes BioGaia's corporate governance during the 2024 financial year. In 2024, BioGaia has not deviated from any of the rules set out in the Code nor committed any violations of Nasdaq Stockholm's rules or good practice in the securities market. The corporate governance report has been reviewed by BioGaia's auditor, as set out on page 169.



Shares

At year-end 2024, the share capital in BioGaia amounted to SEK 20,232,462, consisting of 3,703,340 class A shares carrying 10 votes per share and 97,458,970 class B shares carrying one vote per share. Annwall & Rothschild Investment AB owns 4.16% of the capital and 27.91% of the voting rights in the company. Other individual shareholders hold less than 10% of the capital and voting rights. Additional information about the company's shares, shareholders, etc., is presented on page 170 and on the company's website under the heading Investors/The Share.

General Meeting of Shareholders

The General Meeting of Shareholders is the company's highest decision-making body. Notice of a general meeting of BioGaia's shareholders is given through an announcement in Post- och Inrikes Tidningar and on the company's website. An announcement that notice has been given is published in Svenska Dagbladet.

Shareholders representing 69.31% of the total number of votes in the company attended BioGaia's Annual General Meeting on May 7, 2024. The CEO, most of the year's members elected by the Annual General Meeting, the Board Chairman, and the company's elected auditing firm attended the Annual General Meeting. Two representatives from the Nominating Committee were also in attendance. BioGaia's 2025 Annual General Meeting will take place on May 7, 2025, and the notice for the Annual General Meeting will be sent out at the end of March or no later than the beginning of April 2024. Shareholders who wish to have items included on the agenda of the meeting have, in accordance with instructions on the company's website, had an opportunity to submit a proposal to the company no later than seven weeks prior to the meeting.

In addition to statutory rights of shareholders to attend a General Meeting of Shareholders, BioGaia's Articles of Association require that shareholders who wish to participate in a General Meeting of Shareholders must notify the company no later than the day stipulated in the notice for the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve, or New Year's Eve, and may not occur earlier than the fifth weekday prior to the meeting. Each voting shareholder in BioGaia entitled to vote may vote for the full number of shares owned and represented by the shareholder with no limit to the number of votes. Class A shares entitle the holder to ten votes, and class B shares entitle the holder to one vote. If relevant, notice shall also be given of whether the shareholder intends to be accompanied by an assistant. Documents related to general meetings as well as meetings from earlier annual general meetings and extraordinary general meetings are available on the company's website under the heading Investors/Corporate governance.

Nominating Committee

The 2024 Annual General Meeting resolved that the Nominating Committee would be appointed as follows: The Board Chairman shall convene the four largest shareholders in terms of voting rights in the company, each of whom may appoint one member to the Nominating Committee together with the Board Chairman. In determining the composition of the Nominating Committee, the largest shareholders in terms of voting power shall be based on the ownership situation at June 30, 2024. The Nominating Committee shall be chaired by the member representing the largest shareholder in terms of voting rights on that date. If any of the four largest shareholders should waive their right to appoint a member to the Nominating Committee, the next largest shareholder in order of size shall be given the opportunity to appoint a member. The names of the four shareholder representatives shall be made public as soon as they are appointed, but no later than six months prior to the 2025 Annual General Meeting. The term of office of the Nominating Committee shall extend until a new Nominating Committee is appointed.

If the shareholder who appointed the member is no longer one of the four largest shareholders in terms of voting power, and if the Nominating Committee deems it appropriate, the member shall leave and the next largest shareholder in order of voting power is given the opportunity to replace this member. If an appointed member of the Nominating Committee resigns for some other reason, the shareholder who appointed that member has the right to appoint a new member to the Nominating Committee. If this shareholder waives the right to appoint a new member, the Nominating Committee, if it deems so appropriate considering the remaining mandate period, shall ask the next largest shareholder in terms of voting power if they wish to appoint a member to the Nominating Committee. The Nominating Committee shall prepare proposals on the following matters to be put before the 2025 Annual General Meeting for resolution:

- appointment of the Chairman of the Annual General Meeting
- election of the Board of Directors
- election of the Board Chairman and possibly Vice Chairman
- fees for Board members
- election of auditors
- fees for the auditors
- appointment of the Nominating Committee ahead of the 2026 Annual General Meeting.

The Nominating Committee has been formed in accordance with the decision of the Annual General Meeting and consists of the Board Chairman Peter Rothschild, David Dangoor (also the Chairman of the Nominating Committee), appointed by Annwall & Rothschild Investments AB, the company's largest shareholder, Jannis Kitsakis, appointed by the company's second largest shareholder Fjärde AP-fonden (AP4), Alexander Kohane¹, appointed by the company's third largest shareholder Anatom Holding AG, and Thomas Brown, appointed by the company's fourth largest shareholder Premier Miton Investors. All members of the Nominating Committee, except for Peter Rothschild, are independent in relation to the company and its Executive Management. No fees are paid by the company for work in the Nominating Committee, but BioGaia shall meet reasonable costs that the Nominating Committee deems necessary for completion of its assignment.

All shareholders have had the opportunity to approach the Nominating Committee with recommendations for Board candidates for further evaluation within the framework of the Committee's work. No suggestions or proposals have been submitted to the Nominating Committee to date. The Nominating Committee shall take into account diversity and breadth in the Board as well as strive for an even gender distribution in its written justification to the Board of Directors.

Board of Directors' size and composition

The Board has ultimate responsibility for BioGaia's organization and management. According to BioGaia's Articles of Association, the Board shall consist of no fewer than five and no more than nine members, with no more than three deputies. The Board was made up of eight members (without deputies) throughout the year. The Nominating Committee has applied the Code's rule 4.1 as a diversity policy when drafting the proposal for the Board. The Nominating Committee considers, which has also been the Nominating Committee's goal and the aim of the policy, that the Board has an appropriate composition and size and is characterized by diversity and breadth in terms of the members' competence and experience within areas of strategic importance for BioGaia. A presentation of the Board is provided on page 173.

Board independence

According to the Code, a majority of the Board shall be independent of the company and its Executive Management. At least two of the independent members shall also be independent in relation to the company's major shareholders. The composition of the Board meets the requirements in the Code related to the Board members' independence.

The work of the Board

According to the Board's rules of procedure, the Board shall hold at least five Board meetings, in addition to the statutory meeting. BioGaia has appointed the company's General Counsel to serve as Secretary at Board meetings. The CEO is not a member of the Board but, together with the company's CFO, is co-opted to attend all Board meetings. Other executives in the company take part in Board meetings in order to present reports. Every Board meeting has included an item on the agenda where the Board has had an opportunity for discussion without representatives of Executive Management being present.

The Board held 8 meetings in 2024. For information about attendance at these meetings, see the table on page 167. Ahead of Board meetings, members have received an agreed agenda for the meeting together with written material regarding issues to be handled at the meeting. A key part of the work of the Board is the financial reports that are presented, including the interim report, interim management statements, and year-end report. In addition, during the year, the Board dealt with matters relating to major investments and other expansion issues, strategic issues, and sustainability issues. The Board also held detailed discussions about the overall strategy for BioGaia. The Board has adopted rules of procedure for its work as well as CEO instructions, which describe the division of work between the Board and

the CEO. The Board has also adopted a number of instructions and policies for conducting operations, for example, Signatory and authorization instructions, a Code of Conduct, Governance Policy, Financial Policy, Communication Policy, Insider Trading Policy, Anti-Corruption Policy, Conflict of Interest Policy, Information Security Policy, People Policy, Procurement Policy, and Environmental Policy.

Evaluation of the Board

Within BioGaia's Board there are routines for an annual evaluation of the work of Board members. The evaluation provides a basis for improvements and for the work of the Nominating Committee with the composition of the Board.

All Board members assessed the Board's work in a survey concerning the Board's activities in 2024. The surveys were analyzed to gain an understanding of the opinions of Board members on how the work of the Board is conducted and what measures might be taken to streamline the work of the Board. The intention of the surveys was also to find out what type of issues the Board considers should be given more space and in which areas additional competence might be required in the Board. The results of the evaluation have been discussed by the Board and reported to the Nominating Committee.

Board attendance in 2024¹⁾

Name	Elected in	Independent in relation to the company	Independent in relation to the major shareholders	Board meeting attendance	Audit Committee attendance	Remuneration Committee	Board fee	Fee Audit Committee	Fee Remuneration Committee	Fixed salary
Total number of meetings				8	4	4				
Peter Rothschild	2018	No	No	8 of 8		4 of 4	910,000		25,000	420,000
David Dangoor	2003	Yes	Yes	8 of 8	4 of 4	4 of 4	510,000	62,000	50,000	
Anthon Jahreskog ²⁾	2015	Yes	Yes	8 of 8	4 of 4		290,000	124,000	25,000	
Vanessa Rothschild ³⁾	2020	Yes	No	6 of 8	2 of 4		290,000	62,000		
Bénédicte Flambard	2022	Yes	Yes	6 of 8			290,000			
Barbro Fridén	2023	Yes	Yes	7 of 8			290,000			
Outi Armstrong	2023	Yes	Yes	8 of 8			290,000			
Vesa Koskinen	2023	Yes	No	8 of 8			290,000			

Jacob Sellman resigned from the Nominating Committee prior to its first meeting and was replaced by

Alexander Kahane, appointed by Anatom Holding AG.

1) If a member was unable to attend a Board meeting, they were able to submit their opinions to the chairman prior to the meeting

2) Is not independent in relation to the shareholder Sebastian Jahreskog, who is not a major shareholder.

3) Elected as a member of the audit committee in May 2024.

Remuneration Committee

The Board has appointed a Remuneration Committee from among its members to prepare matters concerning remuneration and other terms of employment for the CEO and other senior executives who together make up the Group's Executive Management. The Remuneration Committee follows the guidelines for senior executives established by the Annual General Meeting in 2024. The members of the Remuneration Committee consist of David Dangoor (chairman), Peter Rothschild, and Anthon Jahreskog. During 2024, the Remuneration Committee held four minuted meetings. All members who were appointed at the time of the meetings were in attendance at these meetings.

Audit Committee

The Board has appointed an Audit Committee from among its members. The key task of the Audit Committee is to support the Board with quality assurance of the financial reporting. The Audit Committee also prepares matters relating to regulatory compliance and sustainability reporting. The Committee holds regular meetings with the company's auditors and evaluates audit work. The Committee discusses significant accounting issues that affect the Group and assists the Nominating Committee in the preparation of proposals for auditors and their remuneration. The chairman of the Audit Committee is responsible for ensuring that the entire Board is kept informed about the work of the Committee as well as, when necessary, presenting the Board with matters for decision. The Audit Committee's members comprise Anthon Jahreskog (chairman), David Dangoor, and Vanessa Rothschild. During 2024, the Audit Committee held four minuted meetings. The members of the Audit Committee attended each meeting. The auditors participated and reported at the meeting that addressed the interim report for the second quarter as well as in connection with the year-end report.

CEO and Executive management

The company's chief executive officer (CEO) is appointed by the Board of Directors. The CEO is responsible for the company's business development and leads and coordinates the day-to-day operations. The Board has established instructions for the CEO that, among other things, regulate management and development of the company and the provision of reports and decision-making data to the Board. According to the CEO Instructions, the CEO shall refer certain matters to the Board for decision.

The CEO prepares requisite information and basis for decisions such as reports relating, among other things, to the company's finances, order situation, significant transactions, and strategic issues ahead of Board meetings, and makes presentations including motivated proposals for decision. The CEO also keeps the Board Chairman regularly informed about the company's operations. The Board evaluates the work of the CEO annually. No member of Executive Management is present at this evaluation.

Executive Management is presented on page 172. The management team is headed by the CEO and is responsible for planning, supervising and monitoring the company's day-to-day operations. Minuted meetings are normally held once a month. The responsibilities and powers of the Executive Management are defined in the job descriptions and in signature authority instructions.

Auditors

BioGaia's auditors are normally appointed by the Annual General Meeting for a period of one year. The 2024 Annual General Meeting resolved on re-election of the registered auditing firm of Deloitte AB to serve for the period until the end of the Annual General Meeting to be held in 2025. The auditing firm appointed Jenny Holmgren as Auditor in Charge. By decision of the Annual General Meeting, auditing fees are paid according to approved account.

The auditors examine the administration of the company by the Board of Directors and the CEO and the quality of the company's financial reporting. At the request of the Board, the auditors also review the interim report and the year-end report. The auditors report the results of their review to the shareholders through the audit report, which is presented at the Annual General Meeting. In addition, the auditors submit written and oral reports to the Executive Management, the Audit Committee, and the Board. The auditors participate and report to the Audit Committee in connection with both the interim report for the second quarter and the year-end report. Furthermore, the auditors participate in at least one Board meeting a year in accordance with the Code. The auditors also submit an auditor's statement on the corporate governance report, the sustainability report, and a report on the examination of remuneration to senior executives.

Information about remuneration to the auditors can be found in Note 4 of the annual report.

Furthermore, the entire Board of Directors meets with the auditor at least once a year without the presence of the company's CEO or other members of the Executive Management.

The Board's report on internal control over financial reporting for the 2024 financial year

Introduction

Pursuant to the Swedish Companies Act, the Annual Accounts Act, and the Code, the Board of Directors is responsible for internal control. This description has been prepared in accordance with these rules and provisions and is thereby limited to internal control over financial reporting.

Internal control of financial reporting

The Board is responsible for ensuring that the company's organization is suitably structured so that the financial accounts, cash management and other financial conditions are satisfactorily controlled.

Every year, the Board of Directors adopts rules of procedure for the Board's activities and instructions regulating the division of responsibilities between the Board and the CEO. The instructions state which matters require approval or authorization from the Board. At Board meetings, the CEO reports on matters requiring consideration by the Board.

The CEO shall ensure that the Board is provided with the objective, detailed and relevant information needed for the Board to make well-founded decisions and that the Board is continuously informed about the development of the company's operations and financial position.

Aside from the instructions between the Board and the CEO, BioGaia's control structure is based on the company's organization and way of conducting operations, where roles and responsibilities are defined. Employee awareness of maintaining good control over financial reporting is high. The company's financial development is assessed and monitored monthly. Financial reports and summaries are prepared by the group's finance department and are reported to the Board quarterly and to the Executive Management monthly.

The company's values

BioGaia has overarching values and the company's employees are well aware of them. This is ensured through interviews during new recruitment and through regular workshops with each department.

Risk assessment

The company continuously works with risk assessment and risk management to ensure that the risks to which the company is exposed are handled within the limits ultimately established by the Board. The Executive Management continuously analyzes the company's business processes with regard to efficiency and risks. This work includes identifying significant risks for misstatements and deficiencies in the financial reporting and ensuring that there are suitable processes and controls in the company's operations to limit these risks. The most critical business processes and the absolutely largest values, in terms of both assets and business/product development are found in the Parent Company. In addition, the bulk of sales take place in the Parent Company. Processes that are deemed to be of particular importance to BioGaia are sales including quality assurance, research and development, and manufacturing. In 2023, management established a Risk Committee, which is headed by the CEO and comprises members of the Executive Management.

Control activities

The risks identified in the financial reporting are managed through a number of control measures in the company's processes. Processes and controls are reviewed and updated regularly in order to detect, prevent and correct any errors or inaccuracies. The control structure also includes the division of powers and responsibilities and the Executive Management's monthly review of the company's financial information.

Information and communication

BioGaia has information and communication paths aimed at promoting completeness and accuracy in the financial reporting. Authorization instructions and policies are distributed to all employees and can be viewed on the company's intranet. All BioGaia employees normally meet once a year to increase their knowledge about the company's processes and goals, as well as to exchange information and share experiences.

Monitoring

The Executive Management performs a yearly evaluation of the effectiveness of internal control. The company's elected auditors, Deloitte AB, also review a selection of BioGaia's routines and internal controls annually. The Board then evaluates this information and ensures that measures are taken in respect of the identified deficiencies and resulting recommendations.

The company has no special review function (internal audit). In light of the company's size and the volume of transactions, together with the expertise in this area possessed by the Board of Directors and the Board's meeting with the independent auditor, the Board has determined that there is no reason to establish a formal internal audit function.

Stockholm, March 25, 2025

Peter Rothschild
Board Chairman

David Dangoor
Vice Chairman

Barbro Fridén
Member of the Board

Outi Armstrong
Member of the Board

Bénédicte Flambard
Member of the Board

Anthon Jahreskog
Member of the Board

Vesa Koskinen
Member of the Board

Vanessa Rothschild
Member of the Board

Auditor's report on the corporate governance report

To the general meeting of the shareholders in BioGaia AB (publ) corporate identity number 556380-8723

Engagement and responsibility

It is the Board of Directors that is responsible for the corporate governance report for the financial year from January 1, 2023 to December 31, 2023 on pages 166-169 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's recommendation RevR 16 The Auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph of the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 25, 2025

Deloitte AB

Jenny Holmgren
Authorized Public Accountant

BioGaia share

Figures in parentheses refer to the previous year

Trading volume

BioGaia AB's B shares have been quoted on the OMX Nordic Exchange Stockholm since May 1998. On January 1, 2012, the shares were moved from the Small Cap List to the Mid Cap List.

In 2024, a total of 175,852 shares were traded daily on NASDAQ, with an average value of SEK 20,390,435 million per day.

The number of shareholders at December 31, 2024 was 12,061 (10,908). The number of shares in BioGaia AB amounts to 3,703,340 class A shares and 97,458,970 class B shares.

Share price development

The share price increased from SEK 101.20 to SEK 111.90 in 2024. The highest closing price of the year was SEK 134.70, and the lowest was SEK 96.90. Market capitalization at December 31, 2024, was approximately SEK 11,320 million (10,219).

Dividend policy

The policy is to pay a shareholder dividend equal to 50% of profit after tax in the Group, excluding items non-recurring items.

Incentive program

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 approved by the Annual General Meeting in 2021. The number of shares and votes in BioGaia increased in 2024 due to the exercise of certain warrants issued under this program for the subscription of shares. Through the subscription, the number of class B shares and votes in BioGaia increased by 180,000, and the share capital increased by SEK 36,000. The program was concluded in 2024. Furthermore, the Annual General Meeting in 2024 resolved on a new employee stock option program.

Distribution of ownership

Number of shares	Total number of shareholders	
	Dec. 31, 2024	Dec. 31, 2023
1-500	8,994	8,065
501-1,000	1,078	986
1,001-5,000	1,454	1,364
5,001-10,000	214	202
10,001-15,000	64	68
15,001-20,000	37	30
20,001-	220	193
Total number of shareholders:	12,061	10,908

The BioGaia share



Largest shareholders in BioGaia at December 31, 2024 (source: Vantage, Euroclear)

	Class A shares	Class B shares	Capital (%)	Votes (%)
Annwall & Rothschild Investments AB	3,703,340	500,000	4.16%	27.91%
Fjärde AP-fonden		8,200,182	8.11%	6.10%
Premier Miton Investors		4,104,721	4.06%	3.05%
Anatom Holding AG		3,307,175	3.27%	2.46%
Handelsbanken Fonder AB		3,049,447	3.01%	2.27%
Cargill Inc		3,000,000	2.97%	2.23%
TIN Ny Teknik		2,000,000	1.98%	1.49%
Allianz Global Investors		1,985,174	1.96%	1.48%
Montanaro Asset Management		1,833,759	1.81%	1.36%
David Dangoor		1,750,000	1.73%	1.30%
Other shareholders		67,728,512	66.95%	50.36%
Total	3,703,340	97,458,970	100%	100%

Changes in share capital since the company's formation

Year	Transaction	Increase in no. of shares	Increase in share capital, SEK	Total share capital, SEK	Total number of class A shares	Total number of class B shares	Quota value, SEK	Issue proceeds, SEK
1990	Company formation			150,000		30,000	5.00	-
1991	New share issue	12,857	64,285	214,285		42,857	5.00	4,500,000
1993	New share issue	12,554	62,770	277,055		55,411	5.00	4,394,341
1995	New share issue	2,303	11,515	288,570		57,714	5.00	806,009
1996	Bonus issue/Split	60,541,986	5,771,400	6,059,970	4,740,278	55,859,422	0.10	-
1996	New share issues	18,200,000	1,820,000	7,897,970	4,740,278	74,059,422	0.10	15,320,000
1997	New share issue Banco Fonder	2,608,696	260,870	8,140,840	4,740,278	76,668,118	0.10	5,760,000
1997	New share issue BioGaia Fermentation	4,400,000	440,000	8,580,840	4,740,278	81,068,118	0.10	7,469,000
1997	New share issue	21,452,099	2,145,210	10,726,050	5,925,347	101,335,148	0.10	38,597,265
1998	New share issue	5	1		5,925,350	101,335,150	0.10	20
1998	Reverse split				592,535	10,133,515	1.00	-
	New share issue (IPO Stockholm Stock Exchange)	2,681,512	2,681,512	13,407,562	740,668	12,666,894	1.00	57,934,131
2000	New share issue November	3,275,000	3,275,000	6,682,562	40,668	15,941,894	1.00	73,031,886
2000	New share issue December	425,000	425,000	17,107,562	740,668	16,366,894	1.00	11,505,294
2004	New share issue Industrifonden	100,000	100,000	17,207,562	740,668	16,466,894	1.00	100,000
2010	New share issue warrant program	63,400	63,400	17,270,962	740,668	16,530,294	1.00	4,862,780
2015	New share issue warrant program	65,500	65,500	17,336,462	740,668	16,595,794	1.00	15,844,450
2020	New share issue ¹⁾	2,860,000	2,860,000	20,196,462	740,668	19,455,794	1.00	1,144,000,000
2022	Split			20,196,462	3,703,340	97,278,970	0.20	-
2024	New share issue warrant program	180,000	36,000	20,232,462	3,703,340	97,458,970	0.20	20,815,200

¹⁾ Excluding underwriting costs

Executive Management



Theresa Agnew

President and CEO. Born in 1966. Theresa holds a B.S. in Biology from Boston College. Employed by the company since September 2023. Previously, she was Global Head of OTC at GlaxoSmithKline Consumer Healthcare (Haleon), and before that, she had executive roles within general management and marketing at Essilor and Johnson & Johnson. Holds 0 shares.



Gianfranco Grompone

Chief Scientific Officer. Born in 1975. PhD in Microbiology, Cell and Molecular Biology and degree in engineering from ENSAR, France. Employed by the company since 2020. Holds 0 shares.



Alexander Kotsinas

Executive Vice President and CFO. Born in 1967. MsC Applied Physics, Royal Institute of Technology, Stockholm, Bsc, Stockholm School of Economics. Employed by the company since 2019. Holds 3,000 class B shares.



Caroline Mofors

Chief Legal Officer. Born in 1972. Bachelor's degree and a Master of Laws (LL.M) in Litigation, Arbitration and Alternative Dispute Resolution from University of Paris II Panthéon-Assas, France. Employed by the company since 2023. Holds 0 shares.



Ludvig Milesson

Chief Operating Officer. Born in 1977. Industrial Engineering and Management, Msc in engineering from Linköping University. Employed since 2021. Holds 1,250 class B shares.



Linda Hägglund

Chief Marketing Officer. Born in 1973. Masters in Economics and Business Administration from Umeå University. Employed by the company since 2020. Holds 190 class B shares.



Sebastian Heimfors

Chief Commercial Officer. Born in 1974. Previously employed by Axel Johnson AB as Director of Innovation & Data. 30 years of experience in retail, e-commerce and digital transformation in several operative and strategic roles. Employed by the company since 2021. Holds 0 shares.



Angelika Kjeldorff

Chief Human Resources Officer. Born in 1969. BSc in Human Resources, Stockholm University. Employed by the company since 2019. Holds 500 class B shares.

Board of Directors



Peter Rothschild

Born in 1950. Board Chairman. Elected to the Board in 2018. MBA from the Stockholm School of Economics. Founder and principal shareholder. President 1996–2016 and Group President 2016–2018. Chairman of the subsidiary BioGaia Pharma AB. Also Chairman of the Board of Infant Bacterial Therapeutics AB (IBT) and with board assignments in The Foundation to Prevent Antibiotic Resistance (PAR foundation), Allbright and Hyber AB. Holds 3,703,340 class A shares and 500,000 class B shares via Annwall & Rothschild Investments AB (a company owned jointly with co-founder Jan Annwall).



David Dangoor

Born in 1949. Board Vice Chairman. BioGaia Board Chairman 2007–2018. MBA from the Stockholm School of Economics. Marketing and PR consultant. President of Innovative Partners LLC. Former Executive Vice President and Marketing Director at Philip Morris International and Philip Morris USA (1976 – 2002). Held board seats in several US public companies, New York City Ballet Inc., School of Creative Leadership, Berlin University and currently Swedish-American Chamber of Commerce (chairman 1997–2001). Holds 1,750,000 class B shares.



Barbro Fridén

Born in 1956. Elected to the Board in 2023. MD, PhD with a specialty in Ob&Gyn and a doctorate in Reproductive Physiology. Has upheld several leading positions in Swedish healthcare as head of departments both in public and private practice and shorter periods abroad. Previously Managing Director for the Children's Hospital at Karolinska University Hospital, Stockholm, and CEO for the Sahlgrenska University Hospital, Gothenburg. Other current board assignments: Apoteket AB, WeMind AB (Chairperson), Sophiahemmet, Bräcke Diakoni (Chairperson) and the Swedish Sea and Rescue Organisation. Holds 500 class B shares.



Bénédicte Flambard

Born in 1973. Elected to the Board in 2022. Holds a Master of Administration from the University of Bath, a doctorate from the National Institute of Agronomic in France and a Masters in Corporate Entrepreneurial Leadership from the Center for Technology Economics & Management in Denmark. Has held various senior positions in the health and agriculture industries and worked in senior positions with pharmaceuticals, health products and consumer goods, among others. Since 2019, Bénédicte Flambard is Global Head of Plant Health Business at FMC Corp. and stationed in Denmark. Other board assignments: Noscomed and Anizome. Holds 0 shares.



Outi Armstrong

Born in 1967. Elected to the Board in 2023. Holds a master's degree in Agriculture Economics at the University of Helsinki, MBA from the University of Arkansas and has also studied psychology at Yale University. Outi has worked with global marketing in senior positions within areas such as life science, nutrition & health, food and agriculture within companies such as P&G, SGS and DSM in Switzerland. Outi is currently Chief Marketing Officer and a member of the executive team at Medice, a medical technology company of Halma Plc. Holds 1'000 shares.



Anthon Jahreskog

Born in 1980. Elected to the Board in 2015. Holds a bachelor's degree in Management and Systems from City, University of London and a master's degree in Financial Management from the University of Cape Town. Former Chief Operating Officer Fund Linked Products at Credit Suisse Investment Bank, London. Other board assignments: Infant Bacterial Therapeutics AB (IBT) and Fast Track Holdings Ltd. Holds 5,290 class B shares.



Vesa Koskinen

Born in 1979. Elected to the Board in 2023. Holds a M.Sc. (Econ) with a major in Finance from the Helsinki School of Economics. Partner at EQT Partners. Board member of Desotec, Bluestep Holding AB and Oterra. Previous assignments include Board member of BHG Group, Vitrolife, Kfzteile24, Elevate, Igenomix, Musti Group, Karo Pharma, Terveystalo, Vertu, Roeser Group, Swiss Smile, VTI Technologies and Lundhags. Holds 0 shares.



Vanessa Rothschild

Born in 1986. Elected to the Board in 2020. Holds a degree in International Economics and Management from University L. Bocconi in Milan, with additional studies in business strategy and decision psychology at HEC Paris. Currently focused on regenerative projects and has previously served as Regional Sales Manager at BioGaia, COO at Iero, and in senior strategic roles in sustainable business development at the H&M Group. Holds 160 class B shares.

Board memberships and holdings in BioGaia reported above reflect the situation as at December 31, 2023.

Glossary

Antibiotics

Substances that kill or inhibit the growth of bacteria.

Diverticulitis

Inflammation of bowel pouches. Pouches are bulges in the lining of the large intestine.

Helicobacter pylori

A very commonly occurring bacteria in large portions of the world's population. Resides in the stomach and may lead to peptic ulcers and gastric cancer.

Clinical research

At BioGaia, this refers to research conducted on humans.

Lactobacillus

Lactic acid bacteria. A collective name for a group of microorganisms that occur naturally in various foods such as yogurt, olives and pickled vegetables. In the past, we consumed a lot of lactic acid bacteria, but today our diet lacks these beneficial bacteria. Some lactic acid bacteria are also present in the human commensal microbiota.

Lactic acid bacteria have vastly different properties and therefore may provide different health effects when consumed. There are large numbers of lactic acid bacteria, for example *L. reuteri* and *L. acidophilus*.

Limosilactobacillus reuteri (*L. reuteri*)

Species within the genus *Limosilactobacillus*. Most of BioGaia's probiotic lactic acid bacteria contain various strains of *Limosilactobacillus reuteri*, for example *Limosilactobacillus reuteri* Protectis. *Limosilactobacillus reuteri* was previously called *Lactobacillus reuteri*. The name was changed in conjunction with a taxonomic change in 2020 when a large number of species were given new names.

Membrane vesicles

Sacs (vesicles) formed from cell membranes that can be used to transport substances into and out of a cell.

Periodontal disease

A collective name for conditions that affect the tissues surrounding teeth, such as gingivitis and periodontitis.

Postbiotics

Postbiotics are non-living microorganisms or substances formed by such microorganisms that provide health benefits to their host.

Prebiotics

Food for the beneficial bacteria that live in our stomach and intestinal tract. Prebiotics are often dietary fiber.

Probiotics

Live microorganisms that, when administered in adequate amounts, confer a health benefit on the host.

Resistant bacteria

Bacteria that have become resistant to one or several antibiotics.