

# Interim report July - September 2024

## Important events during the third quarter

- Net sales in Q3 amounted to SEK 143.7 m, corresponding to a decrease of 7.9% compared to last year (-5.1% adjusted for currency effects).
- The EBITDA margin was 20.1%, corresponding to an increase of 2.0 %-points compared to last year.
- Probi successfully implemented a new global ERP system, streamlining operations and enhancing efficiency across key business functions.
- A new study suggests that consuming Probi's proprietary probiotic strain HEAL9® may serve as a potential therapeutic option for mitigating mild cognitive impairment and Alzheimer's disease.
- In September, Blis Technologies Limited (BLIS) announced to the Stock Exchange (NZX) that a key customer of BLIS has improperly filed a patent application for its BLIS K12™ and M18™ fermentation processes, thereby unduly disclosing confidential information. In the short term, it is not expected that the circumstances will materially affect the distribution and manufacturing by Probi of BLIS strains. Currently, it is not possible to make any assessment of future long-term impact, if any.

20%

EBITDA margin

SEK

144 m

Net sales

## Important events after the end of the period

- Probi's new unique food supplement Probi Sense, focused on cognitive function and mental well-being, was commercially launched in the Nordics.
- Probi started collaboration on a research project with Global BHP BrainTrust and FINGERS Brain Health Institute, aimed at reducing dementia risk in women.

## Financial overview

SEK m	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Net sales	143.7	156.0	474.3	471.6
Growth, %	-7.9%	7.6%	0.6%	-0.6%
Currency adjusted growth, %	-5.1%	5.9%	1.2%	-5.4%
Gross margin, %	34.1%	32.8%	33.7%	36.3%
EBITDA	28.9	28.2	85.1	88.4
EBITDA margin, %	20.1%	18.1%	18.0%	18.7%
Operating profit (EBIT)	3.0	4.0	8.4	16.6
EBIT margin, %	2.1%	2.6%	1.8%	3.5%
Net income	3.6	6.4	13.5	19.4
Earnings per share before and after dilution, SEK	0.31	0.56	1.18	1.70

See note 5 for definitions of ratios not defined according to IFRS

*This information is information that Probi AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO and CFO, on October 22, 2024 at 08:00 CET. This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails.*

# Tangible improvement in operations

The third quarter was impacted by regional fluctuations, with certain markets performing as expected, while others faced challenges. Sales in the Americas saw a slight decline, whereas EMEA showed a stable development. In APAC, our smallest but most promising growth segment, progress fell short of expectations, primarily due to deteriorated macroeconomic dynamics in China. Looking at our overall year-to-date sales progress, we are currently tracking on par with last year's performance.

Despite the slowdown in China, we continue to engage heavily with current and new potential customers in the Asian region, preparing for improved conditions as product implementation cycles in our industry are quite long. In September we arranged a very successful customer workshop in Bangkok with many customers participating from across APAC. We also exhibited at the Vitafoods Asia trade show, an ideal platform to showcase our latest innovations.

Initiatives to drive sales growth remain our primary focus, closely integrated with continuing operational improvements to enhance efficiency. By streamlining processes and optimizing resources, we aim to not only drive top-line revenue and improved margins, but also create a more agile and resilient organization. Our optimization efforts in the US internal processes and production-related procedures over the past year are now yielding tangible results, with improvements already visible.

Overall, we are continuing to make meaningful strides in our transition to reshape and elevate Probi – enhancing our operational capabilities, strengthening and reinventing our market presence, and building a more customer-driven organization focused on creating state-of-the-art advanced biotic solutions.

A part of our strategic revamp includes new branding, and in the Nordic B2C segment we have already started rolling out updated products, available through pharmacies. This also includes the recent commercial Nordic launch of our unprecedented solution for improved cognitive function and mental well-being: Probi® Sense.

This past year has been a pivotal period of internal transformation aimed at unlocking our potential and delivering increased value to our customers and stakeholders. While we are proud of the progress made so far, we recognize that the journey is ongoing, and further work remains as we continue this transformation. We are committed to maintaining a steady course, with a focus on long-term growth and sustainable success, ensuring that Probi can flourish and seize new opportunities as they arise.

**Anita Johansen**  
CEO



“We are committed to maintaining a steady course, with a focus on long-term growth and sustainable success, ensuring that Probi can flourish and seize new opportunities as they arise.”



## Net sales

### July – September (third quarter)

During Q3, net sales amounted to SEK 143.7 m (156.0), corresponding to a decrease of SEK 12.3 m or 7.9%. Adjusted for currency effects, net sales amounted to SEK 148.0 m, corresponding to a decrease of 5.1%.

The decrease of SEK 12.3 m was driven by Americas being 8.1% below Q3 last year and secondly APAC being 22.3% down versus last year. EMEA was flat quarter over quarter.

Americas and EMEA were especially impacted by quarter-to-quarter timing, and after a very strong Q2 YTD sales across all regions are now 0.6% above last year and adjusted for currency effects, the growth is at 1.2% for January to September.

Across our 3 regions, Americas has seen the biggest timing swings quarter-to-quarter and the most material currency impact. The best indicator for the sales performance is sales from January to September in USD which is down USD 0.2m or 0.6%.

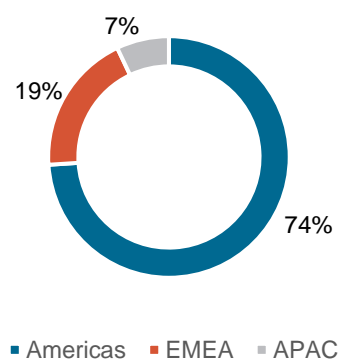
During Q3, Probi and our B2C customers have together prepared the introduction of new branding in the Nordic markets. The implication is an overweight of sales promotions that are now scheduled to hit markets in Q4 to leverage new branding. This was a major factor for soft B2C sales in Q3. We saw continued good traction on B2B sales in the quarter. To summarize, the EMEA business had soft sales in the quarter (-0.4%), while on a YTD

basis EMEA delivered strong sales growth of 28.8% helped by low comparatives in 2023.

APAC saw lower sales in Q3 compared to previous year. Macroeconomic dynamics in China continue to impact our customers adversely. The slowdown comes after a very strong 2023 and hence several customers also built-up stock during 2023 in anticipation of continued strong sales. The inventory corrections at our customers are amplifying the year-over-year slowdown for Probi. Despite lower sales than last year, Probi's competitive position in the market has been maintained.

The share of total net sales in the Americas during Q3 was 74%. EMEA accounted for 19% and APAC 7%.

Net Sales distribution per segment



### Net sales per segment

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Americas	106.3	115.7	-8.1%	345.9	351.2	-1.5%
EMEA	27.3	27.4	-0.4%	89.8	69.7	28.8%
APAC	10.1	13.0	-22.3%	38.6	50.7	-23.9%
<b>Net sales</b>	<b>143.7</b>	<b>156.0</b>	<b>-7.9%</b>	<b>474.3</b>	<b>471.6</b>	<b>0.6%</b>



## Earnings

### Operating profit/loss (EBIT)

The operating profit/loss for Q3 amounted to SEK 3.0 m (4.0), corresponding to a decrease of SEK 1.0 m. Adjusted for currency effects, the operating profit/loss was SEK 3.4 m. The gross profit in Q3 of SEK 49.1 m is slightly behind last year of SEK 51.2 m. The higher gross margin didn't fully make up for lower sales in the quarter. The improvement in the margin was driven by the optimization project at the Probi production plants in the US where we are now seeing tangible improvements in operational KPIs. These improvements have started to float into the gross profit.

Sales and marketing costs amounted to SEK 24.8 m (25.8) due to cost phasing. One example being the timing of marketing expenses to support the Nordic B2C business being back-end loaded for the year to take advantage of the new branding launched in Q3. In general, full year costs are planned to increase year-over-year in line with the decision to strengthen our sales and marketing teams.

Research and development operating expenses were slightly lower than last year and amounted to SEK 6.5 m (7.7). The main driver being the project portfolio, which now has a larger share of projects with projected revenue generation and/or cost improvements, hence a larger share of project costs now qualifies for financial capitalization (Capex). The aggregate of Opex & Capex for R&D in 2024 is above 2023.

Administration expenses amounted to SEK 14.8 m (13.8). The increase is related to strengthening the organization and general inflation.

### Operating profit/loss

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Gross profit Americas	28.2	27.3	3.3%	91.5	100.7	-9.1%
Gross profit EMEA	15.4	16.9	-8.9%	48.7	39.5	23.3%
Gross profit APAC	5.4	6.9	-21.7%	19.7	30.7	-35.8%
<b>Gross profit</b>	<b>49.1</b>	<b>51.2</b>	<b>-4.1%</b>	<b>159.9</b>	<b>171.0</b>	<b>-6.5%</b>
Sales and marketing expenses	-24.8	-25.8	-3.9%	-79.5	-85.7	-7.2%
Research and development expenses	-6.5	-7.7	-15.6%	-26.3	-27.0	-2.6%
Administration expenses	-14.8	-13.8	7.2%	-45.6	-41.6	9.6%
Other operating expenses	0.1	0.0	—	-0.1	0.0	—
<b>Operating profit (EBIT)</b>	<b>3.0</b>	<b>4.0</b>	<b>-25.0%</b>	<b>8.4</b>	<b>16.6</b>	<b>-49.4%</b>

### Financial result

The financial result for Q3 amounted to SEK 0.6 m (2.1). Net financial items excluding exchange rate results amounted to SEK 1.8 m (1.7) and consisted mainly of interest on bank balances and leasing contracts. The exchange rate result amounted to SEK -1.2 m (0.4) in Q3 and refers to the translation of cash and cash equivalents into foreign currency.

### Net income for the period

The net income for Q3 amounted to SEK 3.6 m (6.4). Tax costs for the period amounted to SEK 0.0 m (0.3).

### Earnings per share

Earnings per share for Q3 amounted to SEK 0.31 (0.56).



## Operating segments

The operating segments of Probi are based on a geographical division and consist of the Americas (North and South America), EMEA (Europe, the Middle East and Africa) and APAC (Asia and the Pacific).

### Americas

Since the peak in 2021 during the pandemic, the Americas probiotic market has seen decreasing volumes in recent years (source Euromonitor). This continued to be true for Q3 and is a relevant context for the current sales trajectory. YTD reported sales in SEK is down 1.5% against 2023, while in USD sales are flat i.e. USD 0.2 m or 0.8% below last year.

The gross margin increased due to improved efficiency in production as commented above.

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Net Sales	106.3	115.7	-8.1%	345.9	351.2	-1.5%
Cost of goods sold	-78.1	-88.4	-11.7%	-254.4	-250.4	1.6%
<b>Gross profit</b>	<b>28.2</b>	<b>27.3</b>	<b>3.3%</b>	<b>91.5</b>	<b>100.7</b>	<b>-9.1%</b>
<b>Gross margin</b>	<b>26.5%</b>	<b>23.6%</b>	<b>2.9 ppt</b>	<b>26.5%</b>	<b>28.7%</b>	<b>-2.2 ppt</b>

### EMEA

Net sales in EMEA were in line with last year's performance and amounted to SEK 27.3 m. The gross margin was 56.4%, reflecting a decrease of 5.4 %-points compared to last year. The decrease was mainly driven by customers and products. The commercial activity in Q3 was centered around the new Probi Branding and introducing this to all our B2C customers in the Nordic region. We are excited by the response from end consumers during Q4 and beyond. During October, Probi launched its new product offering Probi® Sense in the Nordic region, available through pharmacies and selected retailers across Sweden, Denmark and Norway. For the B2B business we saw continued good traction in the quarter.

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Net Sales	27.3	27.4	-0.4%	89.8	69.7	28.8%
Cost of goods sold	-11.9	-10.4	14.4%	-41.1	-30.2	36.1%
<b>Gross profit</b>	<b>15.4</b>	<b>16.9</b>	<b>-8.9%</b>	<b>48.7</b>	<b>39.5</b>	<b>23.3%</b>
<b>Gross margin</b>	<b>56.4%</b>	<b>61.8%</b>	<b>-5.4 ppt</b>	<b>54.2%</b>	<b>56.7%</b>	<b>-2.5 ppt</b>



## APAC

Net sales in APAC decreased by 22.3% and amounted to SEK 10.1 m. The gross margin was 53.8%, reflecting a slight increase of 1 percentage point compared to the same period last year. Sales in the APAC region was impacted by a general economic slowdown and tougher market conditions in China, which caused delays in product launches and reduced commercial traction. Probi continued its market activities at a high pace in the region to maintain momentum and foster long-term relationships.

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Net Sales	10.1	13.0	-22.3%	38.6	50.7	-23.9%
Cost of goods sold	-4.7	-6.1	-23.0%	-18.8	-20.0	-6.0%
<b>Gross profit</b>	<b>5.4</b>	<b>6.9</b>	<b>-21.7%</b>	<b>19.7</b>	<b>30.7</b>	<b>-35.8%</b>
<b>Gross margin</b>	<b>53.8%</b>	<b>52.8%</b>	<b>1.0 ppt</b>	<b>51.0%</b>	<b>60.6%</b>	<b>-9.6 ppt</b>

## Corporate events in the quarter

### Organization & operations

Throughout the past year Probi has been engaged in a comprehensive rebranding effort, focused on both product lines and corporate identity. During Q3 this project reached its final stages. The new product branding has already begun rolling out, and the new corporate identity is planned to be employed in Q4. These changes are expected to enhance Probi's market presence and further align the company with its growth ambitions.

### Sustainability

Probi further deepened its commitment to sustainable and ethical business practices through the successful completion of a SMETA 4-Pillar audit at both US manufacturing plants. The audit reviewed the company's performance in Labor Standards, Health & Safety, Environmental Impact, and Business Ethics. This achievement not only underlines Probi's dedication to maintaining high standards in its operations, but also strengthens the company's business relationships with key customers.

### Research & Development

A new study on Probi's proprietary probiotic strain *Lactiplantibacillus plantarum* HEAL9, published in *Food & Function* in collaboration with the University of Pisa, found that the intake of HEAL9<sup>®</sup> in Alzheimer's-prone mice significantly reduced cognitive impairment, reduced brain plaque formation, and improved intestinal barrier function and inflammation. The findings suggest that HEAL9<sup>®</sup>, which is currently being commercialized as Probi<sup>®</sup> Sensia and Probi<sup>®</sup> Sense, could be a promising therapeutic option for mild cognitive impairment and potentially Alzheimer's disease as well.



## Cash flow and cash and cash equivalents

Cash flow from operating activities before changes in working capital amounted to SEK 28.1 m (28.8) in Q3 and was in line with the previous year.

Cash flow from operating activities amounted to SEK 62.1 m (16.9) in Q3, mainly impacted by lower account receivables.

Cash flow from investment activities amounted to SEK -11.8 m (-13.1) in Q3, mainly consisting of investments in intangible and tangible fixed assets.

Cash flow from financing activities amounted to SEK -4.5 m (-4.1) and was on par with last year.

The period's cash flow was SEK 44.0 m (-0.5) and cash and cash equivalents amounted to SEK 349.4 m (300.8).

## Investments

During Q3, investments in intangible fixed assets amounted to SEK 5.4 m (6.0), of which SEK 1.7 m (1.3) related to patents, SEK 0.9 m (1.4) to capitalized development expenses and SEK 2.8 m (3.3) to IT systems. Investments in tangible fixed assets amounted to SEK 6.4 m (7.2), which mainly related to investments in the manufacturing unit at Redmond.

## Employees

At the end of the period, Probi had 157 (168) employees, of which 51% (51) were women. The average number of employees during Q3 amounted to 162 (162).



## Transactions with related parties

During Q3, Probi reported SEK 3.5 m (3.7) in revenue from its largest shareholder, Symrise, and costs amounted to SEK 0.0 m (0.0). No other transactions with related parties occurred during the reporting period.

## Significant risks and uncertainties

Probi pursues continuous efforts to identify and evaluate the various types of risks to which its operations are exposed. To mitigate risks associated with raw material procurement, Probi secures long-term price agreements. Additionally, in response to rising inflation and cost pressures, Probi has adjusted its pricing strategies, although the full financial impact of these changes may manifest with a delay. Probi is also closely monitoring global geopolitical developments, such as the Russian invasion of Ukraine, for potential indirect impacts on our operations. Other risks and uncertainties to which Probi's operations are exposed are described on pages 46–47 of the annual report for 2023.

## Parent company

During Q3, the parent company's operating income amounted to SEK 70.1 m (62.8). Net income for the period was SEK 13.1 m (13.6). For further details, please see the information for the Group.

## Financial calendar

Year-end report 2024	January 28, 2025
Interim report Q1 2025	April 23, 2025
Annual General Meeting 2025	May 6, 2025
Interim report Q2 2025	July 17, 2025
Interim report Q3 2025	October 23, 2025
Year-end report 2025	January 28, 2026

## Invitation to teleconference

Probi's interim report for Q3 2024 was published Tuesday October 22, 2024, at 8:00 a.m. On the same day at 10:00 a.m., a teleconference will be held with Anita Johansen, CEO and Per Lindblad, CFO, who will present the report. If you wish to participate via webcast please use the following link: <https://ir.financialhearings.com/probi-q3-report-2024>

The presentation is available at [www.probi.com](http://www.probi.com) and [www.financialhearings.com](http://www.financialhearings.com).

## Contact

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## Assurance by the Board of Directors

The Board of Directors and CEO declare that this interim report provides a true and fair overview of the parent company's and Group's operations, financial position and results, and describes the significant risks and uncertainties facing the parent company and the Group.

Lund, Tuesday October 22, 2024

Jean-Yves Parisot  
*Chairman of the Board*

Jörn Andreas  
*Board member*

Stephanie Blum Sperisen  
*Board member*

Charlotte Hansson  
*Board member*

Malin Ruijsenaars  
*Board member*

Anita Johansen  
*CEO*

This interim report has not been subject to review by the company's auditors.



## Consolidated statement of comprehensive income

SEK 000	Notes	Jul-Sep		Jan-Sep	
		2024	2023	2024	2023
<b>Net sales</b>	2	<b>143,711</b>	<b>156,030</b>	<b>474,267</b>	<b>471,566</b>
Cost of goods sold	3	-94,659	-104,801	-314,371	-300,613
<b>Gross profit</b>		<b>49,052</b>	<b>51,229</b>	<b>159,896</b>	<b>170,953</b>
Sales and marketing expenses		-24,847	-25,849	-79,550	-85,713
Research and development expenses		-6,465	-7,654	-26,294	-27,050
Administration expenses		-14,834	-13,768	-45,626	-41,587
Other operating expenses		94	31	-61	5
<b>Operating profit (EBIT)</b>		<b>3,000</b>	<b>3,989</b>	<b>8,365</b>	<b>16,608</b>
Financial income		2,514	2,248	7,873	5,519
Financial expenses		-728	-503	-1,710	-1,564
Exchange result financing activities	4	-1,206	362	42	989
<b>Financial result</b>		<b>580</b>	<b>2,107</b>	<b>6,205</b>	<b>4,944</b>
<b>Earnings before income taxes</b>		<b>3,580</b>	<b>6,096</b>	<b>14,570</b>	<b>21,552</b>
Income taxes		-3	299	-1,096	-2,143
<b>Net income</b>		<b>3,577</b>	<b>6,395</b>	<b>13,474</b>	<b>19,409</b>
<b>Other comprehensive income</b>					
Components to be reclassified to net income					
Exchange rate differences resulting from the translation of foreign operations		-46,271	-928	6,447	38,500
Cash flow hedge (currency hedges)		—	—	—	—
Income taxes payable on these components		—	—	—	—
<b>Total components to be reclassified to net income</b>		<b>-46,271</b>	<b>-928</b>	<b>6,447</b>	<b>38,500</b>
Components not to be reclassified to net income					
Equity instruments at fair value through OCI		-4,364	-1,362	-6,146	-2,489
<b>Total components not to be reclassified to net income</b>		<b>-4,364</b>	<b>-1,362</b>	<b>-6,146</b>	<b>-2,489</b>
<b>Sum of other comprehensive income</b>		<b>-50,634</b>	<b>-2,290</b>	<b>301</b>	<b>36,011</b>
<b>Total comprehensive income</b>		<b>-47,058</b>	<b>4,105</b>	<b>13,775</b>	<b>55,420</b>
Number of outstanding shares at end of the reporting period		11,394,125	11,394,125	11,394,125	11,394,125
Average number of shares		11,394,125	11,394,125	11,394,125	11,394,125
Earnings per share before and after dilution		0.31	0.56	1.18	1.70

The period's result as well as comprehensive income is attributable in its entirety to the parent company's shareholders. There is no dilution effect, as the company has no outstanding convertible loans or warrants.



## Consolidated statement of financial position

SEK 000	30 September 2024	31 December 2023
<b>ASSETS</b>		
Capitalized development cost	24,810	23,497
Customer base	192,200	211,718
Technology and other intangible assets	101,538	105,053
Goodwill	342,296	340,580
Property, plant and equipment	145,890	145,822
Right-of-use assets	75,029	49,010
Interests in other entities	66,898	73,044
Deferred tax assets	13,675	1,345
<b>Non-current assets</b>	<b>962,336</b>	<b>950,069</b>
Inventories	128,634	116,705
Trade receivables	62,701	79,792
Other assets and receivables	20,825	14,227
Cash and cash equivalents	349,407	329,650
<b>Current assets</b>	<b>561,567</b>	<b>540,374</b>
<b>Total assets</b>	<b>1,523,903</b>	<b>1,490,443</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>1,368,043</b>	<b>1,369,080</b>
Deferred tax liabilities	—	—
<b>Provisions</b>	—	—
Non-current lease liabilities	60,962	38,212
Other non-current liabilities	5,298	5,272
<b>Non-current liabilities</b>	<b>66,260</b>	<b>43,484</b>
Trade payables	37,986	34,376
Current lease liabilities	20,282	15,585
Other current liabilities	31,332	27,918
<b>Current liabilities</b>	<b>89,600</b>	<b>77,879</b>
<b>Total liabilities</b>	<b>155,860</b>	<b>121,363</b>
<b>Total equity and liabilities</b>	<b>1,523,903</b>	<b>1,490,443</b>



## Consolidated changes in equity

SEK 000	Share capital	Other contributions received	Cumulative translation differences	Hedging reserve	Fair value reserve	Accumulated profit	Total equity
<b>Opening balance, 1 Jan 2023</b>	<b>58,221</b>	<b>600,205</b>	<b>169,322</b>	—	<b>-28,412</b>	<b>611,232</b>	<b>1,410,567</b>
Net income	—	—	—	—	—	19,409	19,409
Other comprehensive income	—	—	38,500	—	-2,489	—	36,011
<b>Total Comprehensive Income</b>	—	—	<b>38,500</b>	—	<b>-2,489</b>	<b>19,409</b>	<b>55,420</b>
Dividends	—	—	—	—	—	-14,812	-14,812
<b>Total transactions with shareholders</b>	—	—	—	—	—	<b>-14,812</b>	<b>-14,812</b>
<b>Closing balance, 30 Sep 2023</b>	<b>58,221</b>	<b>600,205</b>	<b>207,822</b>	—	<b>-30,901</b>	<b>615,829</b>	<b>1,451,176</b>

SEK 000	Share capital	Other contributions received	Cumulative translation differences	Hedging reserve	Fair value reserve	Accumulated profit	Total equity
<b>Opening balance, 1 Jan 2024</b>	<b>58,221</b>	<b>600,205</b>	<b>133,294</b>	—	<b>-35,878</b>	<b>613,238</b>	<b>1,369,080</b>
Net income	—	—	—	—	—	13,474	13,474
Other comprehensive income	—	—	6,447	—	-6,146	—	302
<b>Total Comprehensive Income</b>	—	—	<b>6,447</b>	—	<b>-6,146</b>	<b>13,474</b>	<b>13,776</b>
Dividends	—	—	—	—	—	-14,812	-14,812
<b>Total transactions with shareholders</b>	—	—	—	—	—	<b>-14,812</b>	<b>-14,812</b>
<b>Closing balance, 30 Sep 2024</b>	<b>58,221</b>	<b>600,205</b>	<b>139,742</b>	—	<b>-42,024</b>	<b>611,901</b>	<b>1,368,043</b>



## Consolidated cash flow statement

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
<b>Net income</b>	<b>3,577</b>	<b>6,395</b>	<b>13,474</b>	<b>19,409</b>
Adjustments to reconcile net income to cash from operating activities				
Income taxes	3	-299	1,096	2,143
Interest result	-1,786	-1,745	-6,163	-3,955
Amortization, depreciation and impairment of non-current assets	25,927	24,182	76,783	71,777
Other non-cash expenses and income	410	230	937	65
<b>Cash flow before working capital changes</b>	<b>28,131</b>	<b>28,763</b>	<b>86,127</b>	<b>89,439</b>
Change in trade receivables and other current assets	45,854	-14,296	9,721	-27,549
Change in inventories	-8,126	7,452	-11,605	-10,791
Change in trade payables and other current liabilities	999	-244	13,785	1,424
Income taxes paid	-4,757	-4,728	-12,617	-13,828
<b>Cash flow from operating activities</b>	<b>62,101</b>	<b>16,947</b>	<b>85,411</b>	<b>38,695</b>
Payments for investing in intangible assets	-5,361	-5,972	-16,437	-16,345
Payments for investing in property, plant and equipment	-6,413	-7,164	-22,042	-20,310
Divestments of tangible assets	0	4	42	15
<b>Cash flow from investing activities</b>	<b>-11,774</b>	<b>-13,132</b>	<b>-38,437</b>	<b>-36,640</b>
Interest paid	-740	-513	-1,619	-1,595
Interest received	318	277	1,056	1,019
Repayments for lease obligations	-4,113	-3,842	-12,391	-11,274
Dividends paid	—	—	-14,812	-14,812
<b>Cash flow from financing activities</b>	<b>-4,535</b>	<b>-4,078</b>	<b>-27,766</b>	<b>-26,662</b>
Cash flow for the period	45,792	-263	19,208	-24,607
Effects of changes in exchange rates	-1,822	-247	549	1,748
<b>Change in cash and cash equivalents</b>	<b>43,970</b>	<b>-510</b>	<b>19,757</b>	<b>-22,859</b>
<b>Cash and cash equivalents at opening balance</b>	<b>305,437</b>	<b>301,357</b>	<b>329,650</b>	<b>323,706</b>
<b>Cash and cash equivalents at closing balance</b>	<b>349,407</b>	<b>300,847</b>	<b>349,407</b>	<b>300,847</b>



## Parent company's condensed financial statements

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
<b>Operating revenue</b>	70,072	62,814	225,137	207,598
Operating costs	-6,913	-16,756	-52,343	-52,588
Gross profit	63,159	46,058	172,794	155,010
<b>Operating profit (EBIT)</b>	<b>20,781</b>	<b>16,354</b>	<b>59,331</b>	<b>54,127</b>
Result from financial income and expenses	-3,370	1,185	1,457	3,009
Income before tax	17,411	17,539	60,788	57,136
<b>Net income</b>	<b>13,060</b>	<b>13,644</b>	<b>47,085</b>	<b>44,655</b>

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
<b>Net income</b>	<b>13,060</b>	<b>13,644</b>	<b>47,085</b>	<b>44,655</b>
Sum of other comprehensive income	—	—	—	—
<b>Total comprehensive income</b>	<b>13,060</b>	<b>13,644</b>	<b>47,085</b>	<b>44,655</b>

SEK 000	30	31
	September 2024	December 2023
ASSETS		
Non-current assets	1,027,847	1,033,004
Current assets	374,668	337,125
<b>Total assets</b>	<b>1,402,515</b>	<b>1,370,129</b>
EQUITY AND LIABILITIES		
Equity	1,369,510	1,337,238
Current liabilities	33,005	32,891
<b>Total equity and liabilities</b>	<b>1,402,515</b>	<b>1,370,129</b>



# Notes

## 1. Accounting and valuation principles

### The Group

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The condensed financial statements in the interim report are covered on pages 10-17. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided both here and elsewhere in the interim report. The ESMA guidelines on alternative performance measures apply.

The accounting principles applied when these consolidated accounts were prepared have been applied consistently for all periods presented, unless otherwise stated. Complete accounting principles can be found on pages 65-66 of the annual report for 2023.

The parent company's functional currency is Swedish kronor (SEK), which is also the reporting currency for both the parent company and the Group. All amounts stated are rounded to the nearest thousand kronor unless otherwise stated.

Amounts and figures in parentheses refer to comparative figures for the corresponding period of the previous year. Amounts are expressed in Swedish kronor (SEK), thousands (TSEK) or millions (SEK m) according to the unit stated.

### Parent company

The parent company applies the same accounting principles as the Group apart from IFRS 16 "Leasing" and with the exceptions and additions that appear in RFR 2 "Accounting for legal entities". The interim report complies with the Annual Accounts Act.

## 2. Revenue from contracts with customers

A breakdown by category of the Group's net sales from contracts with customers is presented below:

SEK 000	Jul-Sep 2024				Jul-Sep 2023			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Goods	105,352	27,019	10,124	<b>142,495</b>	114,116	27,050	13,016	<b>154,182</b>
Royalty	954	262	—	<b>1,216</b>	1,541	307	—	<b>1,848</b>
<b>Net sales</b>	<b>106,306</b>	<b>27,281</b>	<b>10,124</b>	<b>143,711</b>	<b>115,657</b>	<b>27,357</b>	<b>13,016</b>	<b>156,030</b>

SEK 000	Jan-Sep 2024				Jan-Sep 2023			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Goods	341,044	88,501	38,551	<b>468,097</b>	346,180	68,073	50,691	<b>464,944</b>
Royalty	4,828	1,342	—	<b>6,170</b>	4,988	1,634	—	<b>6,622</b>
<b>Net sales</b>	<b>345,872</b>	<b>89,843</b>	<b>38,551</b>	<b>474,267</b>	<b>351,168</b>	<b>69,707</b>	<b>50,691</b>	<b>471,566</b>



### 3. Currency translation from operating activities

The following table shows the exchange gains and losses from operating activities that are recognized under cost of goods sold:

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Exchange gains operating activities	-165	109	1,720	2,790
Exchange losses operating activities	-1,251	-1,213	-3,033	-3,065
<b>Exchange result operating activities</b>	<b>-1,416</b>	<b>-1,104</b>	<b>-1,312</b>	<b>-275</b>

### 4. Currency translation from financial activities

The following table shows the exchange gains and losses from financing activities that are recognized in the financial results:

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Exchange gains financing activities	587	870	3,125	2,764
Exchange losses financing activities	-1,793	-508	-3,083	-1,775
<b>Exchange result financing activities</b>	<b>-1,206</b>	<b>362</b>	<b>42</b>	<b>989</b>

### 5. Definition of alternative performance indicators not defined in IFRS

Probi presents certain financial key performance indicators (KPIs) in the interim report that are not defined according to IFRS. Probi believes that these indicators provide valuable supplementary information to investors and the company's management. Since not all companies calculate alternative KPIs in the same way, these are not always comparable to indicators used by other companies. However, these indicators should not be considered as a substitute for financial indicators required in accordance with IFRS. The following alternative KPIs are reported in the interim report:

#### Operating profit/loss (EBIT)

The operating profit/loss (EBIT) is defined as the profit/loss before financial income, expenses and tax for the period and is used as a measure of the company's profitability.

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Net income	3,577	6,395	13,474	19,409
Income taxes	3	-299	1,096	2,143
Financial result	-580	-2,107	-6,205	-4,944
<b>Operating profit (EBIT)</b>	<b>3,000</b>	<b>3,989</b>	<b>8,365</b>	<b>16,608</b>

#### EBITDA

EBITDA is defined as the operating profit (EBIT) before depreciation and impairment and is used as a measure of the company's profitability.

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Operating profit (EBIT)	3,000	3,989	8,365	16,608
Depreciation and amortization	25,927	24,181	76,783	71,776
<b>EBITDA</b>	<b>28,927</b>	<b>28,170</b>	<b>85,148</b>	<b>88,384</b>





Other alternative KPIs	Definition/ Basis of calculation	Purpose
<b>Gross margin</b>	Defined as gross profit divided by net sales	Used to measure product profitability
<b>EBITDA margin</b>	Defined as EBITDA divided by net sales	Used to measure the company's profitability before depreciation and impairment of tangible and intangible assets
<b>Currency adjusted net sales growth</b>	Defined as net sales for the year translated at the preceding year's exchange rates divided by the preceding year's net sales	Used to measure underlying net sales growth
<b>RTM</b>	Rolling twelve months. Refers to full-year figure for the last four quarters	Gives an indication of development without having to wait for the comparative period next year
<b>Operating margin</b>	Defined as the operating profit divided by net sales	Used to measure the company's profitability

## About Probi

Probi® is a global Group that focuses exclusively on research, manufacturing and delivery of probiotics in dietary supplements and food. The company has expertise in managing live bacteria from research through all stages of the manufacturing process and is dedicated to making the health-promoting benefits of probiotics available to people around the world. Since the company was founded in 1991 at Lund University in Sweden, Probi has expanded its operations to more than 40 markets and holds around 400 patents worldwide. Probi had sales of SEK 628 m in 2023. Probi's shares are listed on Nasdaq Stockholm, Mid-cap, and there were around 3,400 shareholders on December 31, 2023.

