

BioGaia AB (publ)

Corporate identification number 556380-8723

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors' proposed appropriation of profits and proposed conditions for distribution of profits, and the motivated statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551).

The Board of Directors proposes that the AGM on 6 May 2021 resolves that the profit according to the adopted balance sheet be appropriated so that SEK 68 869 935 be distributed to the shareholders, that SEK 2 800 000 be distributed to "The foundation to prevent antibiotic resistance" and that the remaining available profits of SEK 1 543 467 792 be carried forward to new account.

The Board proposes that the following conditions apply for the distribution of profits:

- SEK 3.41 shall be distributed per share;
- That the record date be 10 May 2021, and
- That the date of payment be 14 May 2021.

The Board makes the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551).

The results and financial position of the company and the Group are good, as evidenced by the latest income statement and balance sheet. The Board of Directors' assessment is that the proposed dividend is covered by the company's shareholders' equity. The cash flows of the company and the Group are strong. The equity/assets ratio and liquidity will be satisfactory even after the proposed dividend, and the company and the Group are assumed to be able to meet their obligations in the short and long term.

The Board thus deems the proposed dividend to be justified with consideration to;

- The requirements placed by the nature, scope and risks of the business (of the company and the Group) on the size of shareholders' equity, and
- The consolidation and investment needs, liquidity and overall position of the company and the Group

Stockholm 12 April 2021

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This is a translation of the Swedish version of The Board of Directors' proposed appropriation of profits and proposed conditions for distribution of profits, and the motivated statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551). In the event of differences, the Swedish wording shall prevail.