

Year-end report

JANUARY – DECEMBER 2022





FOURTH QUARTER 2022

Net sales amounted to SEK 274.3 million (206.2), an increase of SEK 68.1 million, or 33% (excluding foreign exchange effects, 19%) of which the acquisition of Nutraceutics accounted for an increase of SEK 29.9 million (15%). Organic growth was 5%.

Net sales in the Paediatrics segment amounted to SEK 207.4 million (150.1), an increase of 38% (excluding foreign exchange effects, 24%).

Net sales in the Adult Health segment amounted to SEK 64.7 million (55.2), an increase of 17% (excluding foreign exchange effects, 5%).

Operating expenses amounted to SEK 136.9 million (105.9), an increase of SEK 30.9 million, (29%), of which the acquisition of Nutraceutics accounted for an increase of SEK 29.4 million (28%).

Operating profit increased by 34% to SEK 71.1 million (53.1), which corresponds to an operating margin of 26% (26%).

Profit after tax amounted to SEK 139.2 million (38.3), an increase of 264%. Profit after tax was impacted by financial income from the adjustment of the value of an additional purchase price for Nutraceutics in the amount of SEK 76.0 million.

Earnings per share amounted to SEK 1.38 (0.38) before and after dilution.¹⁾

Cash flow amounted to SEK 89.0 million (-43.6).

Cash and cash equivalents at 31 December 2022 amounted to SEK 1,488.4 (1,484.7).

Key events in the fourth quarter of 2022

On 17 October, BioGaia announced that profit for the third quarter exceeded market expectations.

JANUARY – DECEMBER 2022

Net sales amounted to SEK 1,104.0 million (785.1), an increase of SEK 318.8 million, or 41% (excluding foreign exchange effects, 29%) of which the acquisition of Nutraceutics accounted for an increase of SEK 80.1 million (10%). Organic growth was 19%.

Net sales in the Paediatrics segment amounted to SEK 868.4 million (603.7), an increase of 44% (excluding foreign exchange effects, 32%).

Net sales in the Adult Health segment amounted to SEK 230.2 million (176.9), an increase of 30% (excluding foreign exchange effects, 19%).

Operating expenses amounted to SEK 440.5 million (329.2), an increase of SEK 111.3 million (34%), of which the acquisition of Nutraceutics accounted for an increase of SEK 97.0 million (29%).

Operating expenses included costs of evaluation of acquisition candidates of SEK 1.2 million (9.3), restructuring costs (relating to personnel) of SEK 5.6 million (8.9) and the reversal of previous impairment of right-of-use assets linked to a rental contract for premises of SEK -1.7 million (4.2). Excluding these items, operating expenses amounted to SEK 435.4 million (306.9), an increase of 42%.

Operating profit increased by 42% to SEK 361.5 million (253.7), which corresponds to an operating margin of 33% (32%).

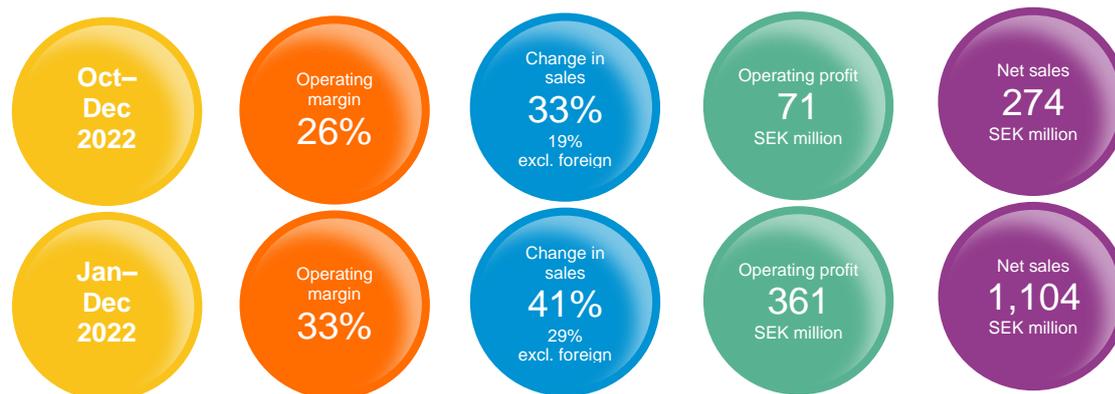
Profit after tax amounted to SEK 373.6 million (196.3), an increase of 90%. Profit after tax was impacted by financial income from the adjustment of the value of an additional purchase price for Nutraceutics in the amount of SEK 80.0 million.

Earnings per share amounted to SEK 3.70 (1.94) before and after dilution.¹⁾ Cash flow amounted to SEK -12.8 million (13.1).

In accordance with the dividend policy, the Board proposes that the upcoming Annual General Meeting on 5 May 2023 approves an ordinary dividend according to policy of SEK 1.45 (0.73) per share, plus an extra dividend of SEK 1.45 (2.26) per share resulting in a total dividend of SEK 2.90 (2.98) per share, corresponding to SEK 292.8 million (301.3). The Board further proposes a provision to the Foundation to Prevent Antibiotic Resistance of SEK 4.4 million (2.9). The dividend proposal is based on BioGaia's updated dividend policy to distribute 50% of the Group's profit. Group profit was adjusted for financial income from adjustment to the value of the additional purchase price for the acquisition of Nutraceutics.

Key events after the end of the fourth quarter

No significant events have occurred after the end of the fourth quarter that were not included in this year-end report.



	Oct-Dec 2022	Oct-Dec 2021
Net sales, SEK 000s	274,283	206,163
Growth in net sales	33%	10%
Operating profit, SEK 000s	71,126	53,090
Operating margin	26%	26%
Profit after tax, SEK 000s	139,237	38,275
Number of shares, thousands	100,982	100,982
Earnings per share, before and after dilution, SEK ^{1) 2)}	1.38	0.38

- 1) In view of the 5:1 share split, which took place in May 2022, historical key ratios based on the number of shares have been restated.
- 2) Key ratio defined according to IFRS. For definitions of other key ratios, see page 15.


BioGaia AB (publ.) Year-end report, 1 January – 31 December 2022

The Board of Directors and the CEO of BioGaia AB hereby present the year-end report for the period 1 January – 31 December 2022.

CEO'S COMMENTS
BioGaia achieves billion SEK sales

This year was the first time in BioGaia's history that the company exceeded SEK 1 billion in sales on a full-year basis. Sales increased by a full 29% excluding foreign exchange effects. As we now look back on the year, we can see that our strategy has delivered four strong quarters in 2022. This was the seventh consecutive quarter with double-digit growth, including acquisitions, and we increased total net sales by 33% compared with the year-earlier quarter. The Paediatrics segment increased 38% and the Adult Health segment by 17%. Despite extensive investments in a gradual expansion of our direct distribution to consumers, we are not compromising on our high operating margin.

Strong market development

Once again, we witnessed stable sales growth during the quarter, mainly driven by our paediatrics product range. This success was largely underpinned by EMEA, led by Southern Europe (Italy, France, Spain), together with Eastern Europe (excluding Russia and Ukraine).

In the USA, we noted our best quarter to date in the Amazon, Target and Walmart marketplaces. Our Prodentis product received a positive response from both consumers and healthcare professionals. We believe Prodentis can become a future growth engine in this market. In Latin America, we are outperforming our strong competitors and 2022 was our strongest year for sales so far, thanks to our capable distribution partners.

APAC continues to be negatively impacted to some extent by Covid-restrictions, mainly in Japan and China. In South Korea and Vietnam we reported better results, supported by digital initiatives. During the quarter, BioGaia APAC hosted the first regional distributor workshop for three years. This event, which took place in Singapore, promotes best practices from partners and stimulates regional business development. Product launches continued in the region during the quarter.

One general conclusion to be drawn from our market areas is that despite some signs of a global economic slowdown, our sales are strong and stable. This confirms our assumption that BioGaia's drops for infants are highly resilient in recessionary times.

Our strategy with four channels stands firm

Our omnichannel strategy is delivering results as we are reaching consumers from multiple directions. The digital contact points are particularly successful in China and the USA, including exposure in marketplaces and social platforms, and in Japan through sales via BioGaia's local e-commerce platforms. Online sales in China are increasing via TikTok, which acts as a social platform and marketplace. In Japan, where the dental profession is important, we are aiming to take part in dental conferences to activate the dental surgeries.

Building BioGaia's brand is a continuous process, and we regularly measure consumer attitudes to us. During the quarter, we carried out a market survey that confirmed that we must continue efforts to increase our brand awareness. The results also showed that those with greatest awareness of BioGaia rank us highly or highest in terms of brand trust. One component in efforts to strengthen the brand is the ongoing campaigns in various channels that include a new marketing tool developed to support our Protectis drops for infants: "Let baby time be happy time".

During the quarter, we conducted an extensive scientific tour of Latin America to launch our Gastrus product. In the USA, we supported our dental operations through a comprehensive initiative focusing on dental hygienists and dentists. This included an initiative focused on hygiene educators and the recruitment of key opinion leaders (KOL) at the dental congress in New York.

We are continuing to optimise the product supply chain by negotiating pricing for the years to come to secure access to bacterial cultures and to minimise the risk of price increases due to inflation. We are also continuing to test and optimise our new fermentation facility that is expected to begin fermenting small batches at the beginning of 2023.

Supported by a strong 2022

We will continue to face unpredictable times in 2023. Our Protectis drops for infants have demonstrated a high degree of resilience during the economic downturn as demand for these remain strong. We are carefully reviewing all costs in response to in the best way an uncertain world.

I am convinced that the strategic direction we established in 2019 is right as we enter a new year. Our unique competitive advantage is built on a strong brand and evidence-based research that is combined with an omnichannel strategy towards consumers. After implementing the strategy in the midst of the pandemic, this has proved effective and has now produced seven strong quarters in a row. I am therefore confident that BioGaia will remain robust through the economic and geopolitical storms affecting the world around us. In parallel, we will work tirelessly to achieve our goal of becoming the world's most trusted probiotic brand.

Isabelle Ducellier

President and CEO BioGaia
2 February 2023



Teleconference: Investors, analysts and the media are invited to take part in a teleconference on the year-end report to be held today, 3 February 2023, at 9:30 a.m. CET with CEO Isabelle Ducellier and CFO Alexander Kotsinas. More information about the teleconference is available here: <https://financialhearings.com/event/46019>



Revenue

SEKm	Oct–Dec 2022	Oct–Dec 2021	Change
Paediatrics	207.4	150.1	38%
Adult Health	64.7	55.2	17%
Other	2.1	0.9	140%
Total	274.3	206.2	33%

SEKm	Oct–Dec 2022	Oct–Dec 2021	Change
EMEA	128.4	85.0	51%
APAC	60.0	73.3	-18%
AMERICAS	85.9	47.9	79%
Total	274.3	206.2	33%

Jan–Dec 2022	Jan–Dec 2021	Change
868.4	603.7	44%
230.2	176.9	30%
5.4	4.6	18%
1,104.0	785.1	41%

Jan–Dec 2022	Jan–Dec 2021	Change
511.5	335.8	52%
223.0	214.5	4%
369.5	234.9	57%
1,104.0	785.1	41%

SALES FOURTH QUARTER

Figures in parentheses refer to the corresponding period last year. Consolidated net sales amounted to SEK 274.3 million (206.2), an increase of SEK 68.1 million, or 33% (excluding foreign exchange effects, 19%) of which the acquisition of Nutraceuticals accounted for an increase of SEK 29.9 million (15%). Organic growth was 5%.

Sales in EMEA totalled SEK 128.4 million (85.0), up 51% due to increased sales in both the Paediatrics and Adult Health segments. Sales in EMEA increased mainly in Italy, France and Eastern Europe.

Sales in APAC amounted to SEK 60.0 million (73.3), a decrease of 18%. The Paediatrics and Adult Health segments decreased. Sales declined primarily in China and Japan as a result of the restrictions attributable to the pandemic and quarterly variations for individual orders.

Sales in Americas totalled SEK 85.9 million (47.9), up 79% due to increased sales in both the Paediatrics and Adult Health segments. Sales growth was strongest in the USA and Chile. Sales in Nutraceuticals rose by 11%.

SALES JANUARY – DECEMBER

Figures in parentheses refer to the corresponding period last year. Consolidated net sales amounted to SEK 1 104.0 million (785.1), an increase of SEK 318.8 million, or 41% (excluding foreign exchange effects, 29%) of which the acquisition of Nutraceuticals accounted for an increase of SEK 80.1 million (10%). Organic growth was 19%.

Sales in EMEA totalled SEK 511.5 million (335.8), up 52% due to increased sales in both the Paediatrics and Adult Health segments. Sales in EMEA increased mainly in Italy and France.

Sales in APAC totalled SEK 223.0 million (214.5), an increase of 4%, which was due to increased sales within the Paediatrics segment while sales within the Adult Health segment declined. Sales increased mainly in South Korea and Vietnam, which was partly offset by lower sales in Japan and Australia.

Sales in Americas totalled SEK 369.5 million (234.9), up 57% due to increased sales in both the Paediatrics and Adult Health segments. Sales growth was strongest in the USA and Chile. Sales in Nutraceuticals rose by 5%.

NET SALES BRIDGE FOURTH QUARTER

SEKm		Change
2021	206.1	
Foreign exchange	28.3	14%
Acquisitions	29.9	15%
Organic growth	9.9	5%
2022	274.3	33%

NET SALES BRIDGE JANUARY–DECEMBER

SEKm		Change
2021	785.1	
Foreign exchange	92.1	12%
Acquisitions	80.1	10%
Organic growth	146.7	19%
2022	1,104.0	41%



Paediatrics



The Paediatrics segment accounts for approximately 80% of BioGaia's total sales. BioGaia Protectis drops remain the largest product with sales in more than 90 countries. Other key products within Paediatrics include BioGaia Protectis drops with vitamin D, oral rehydration solution and tablets as well as cultures to be used as ingredients in licensee products (such as infant formula).

SEKm	Oct-Dec 2022	Oct-Dec 2021	Change	Jan-Dec 2022	Jan-Dec 2021	Change
Total Paediatrics	207.4	150.1	38%	868.4	603.7	44%

SALES FOURTH QUARTER

Figures in parentheses refer to the corresponding period last year. Sales in the Paediatrics segment amounted to SEK 207.4 million (150.1), an increase of 38% (excluding foreign exchange effects, 24%).

Sales of BioGaia Protectis drops increased in Americas and EMEA. In Americas, sales increased mainly in Chile and the USA, and in EMEA mainly in Italy and Eastern Europe. In APAC, sales decreased mainly in China and Australia.

Sales of BioGaia Protectis tablets within Paediatrics increased compared to the corresponding period last year. Sales increased in EMEA and Americas, mainly in France and the USA.

SALES JANUARY – DECEMBER

Figures in parentheses refer to the corresponding period last year. Sales in the Paediatrics segment amounted to SEK 868.4 million (603.7), an increase of 44% (excluding foreign exchange effects, 32%).

Sales of BioGaia Protectis drops increased compared to the corresponding period last year. Sales increased in EMEA mainly in Italy and France but also in Americas in USA.

Sales of BioGaia Protectis tablets within Paediatrics increased compared to the corresponding period last year. Sales increased in EMEA and Americas, mainly in France and the USA.



Adult Health



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

SEKm	Oct-Dec 2022	Oct-Dec 2021	Change
Total Adult Health	64.7	55.2	17%

Jan-Dec 2022	Jan-Dec 2021	Change
230.2	176.9	30%

SALES FOURTH QUARTER

Figures in parentheses refer to the corresponding period last year. Sales in the Adult Health segment amounted to SEK 64.7 million (55.2), an increase of 17% (excluding foreign exchange effects, 5%).

Sales of BioGaia Protectis tablets decreased compared to the corresponding period last year. Sales increased in EMEA and the Americas, primarily in Italy and Mexico, but decreased in APAC.

Sales of BioGaia Gastrus increased compared to the corresponding period last year. Sales increased in EMEA and the Americas, but decreased in APAC. Sales increased mainly in the USA.

Sales of BioGaia Prodentis decreased slightly compared to the corresponding period last year. Sales of BioGaia Prodentis decreased in EMEA and APAC but increased in the Americas compared to the corresponding period last year, mainly due to reduced sales in China and South Korea. Sales increased mainly in the USA.

SALES JANUARY – DECEMBER

Figures in parentheses refer to the corresponding period last year. Sales in the Adult Health segment amounted to SEK 230.2 million (176.9), an increase of 30% (excluding foreign exchange effects, 19%).

Sales of BioGaia Protectis tablets increased compared to the corresponding period last year. Sales increased in EMEA and the Americas, primarily in Italy and Belgium, but decreased in APAC.

Sales of BioGaia Gastrus increased compared to the corresponding period last year. Sales increased in EMEA and the Americas, but decreased in APAC. Sales increased mainly in the USA.

Sales of BioGaia Prodentis increased compared to the corresponding period last year. Sales of BioGaia Prodentis increased in the Americas but declined in EMEA and APAC compared to the corresponding period last year. Sales increased mainly in the USA and South Korea, which was partly offset by lower sales in Japan and China.



Earnings

FOURTH QUARTER

Gross margin

Figures in parentheses refer to the corresponding period last year. The total gross margin for the quarter amounted to 76% (77%). The gross margin was negatively impacted by rising purchase prices. BioGaia has implemented price increases to offset the higher purchase prices.

The gross margin for the Paediatrics segment amounted to 77% (79%) and for the Adult Health segment to 72% (73%).

Operating expenses and operating profit

Operating expenses amounted to SEK 136.9 million (105.9), an increase of SEK 30.9 million, (29%), of which the acquisition of Nutraceutics accounted for an increase of SEK 29.4 million (28%). Excluding other operating expenses (exchange losses/gains) operating expenses increased by 22%. Excluding Nutraceutics (now BioGaia USA), operating expenses increased SEK 1.7 million (1%).

Operating expenses included costs of evaluation of acquisition candidates of SEK 0.1 million (6.7), restructuring costs (relating to personnel) of SEK 1.7 million (6.5) and the reversal of previous impairment of right-of-use assets linked to a rental contract for premises in Lund of SEK 0.0 million (-0.8). Excluding these costs, operating expenses amounted to SEK 135.1 million (93.6), an increase of SEK 41.5 million (44%).

Selling expenses amounted to SEK 88.5 million (66.6), an increase of 33%, mainly due to the acquisition of Nutraceutics and increased costs for sales and marketing activities.

R&D expenses amounted to SEK 31.4 million (30.5), an increase of 3%. R&D expenses include costs for the subsidiaries MetaboGen AB and BioGaia Pharma AB of SEK 7.8 million (6.3). The decrease in R&D expenses excluding costs for MetaboGen AB and BioGaia Pharma AB is attributable to slightly lower study expenses during the period.

Administrative expenses amounted to SEK 13.4 million (12.2), an increase of 10%. Administrative expenses included costs for the reversal of previous impairment of right-of-use assets linked to a rental contract.

Other operating expenses refers to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK 3.5 million (-3.3).

Operating profit amounted to SEK 71.1 million (53.1), an increase of 34%. The operating margin was 26% (26%).

Profit after tax and earnings per share

Profit after tax amounted to SEK 139.2 million (38.3), an increase of 264%. The effective tax rate was 9% (27%). Profit after tax was impacted by financial income from the adjustment of the value of an additional purchase price in the amount of SEK 76.0 million. The financial income is non-taxable, which is why the effective tax rate is lower.

Earnings per share amounted to SEK 1.38 (0.38). There are no dilutive effects.

JANUARY – DECEMBER

Gross margin

Figures in parentheses refer to the corresponding period last year. The total gross margin amounted to 73% (74%). The gross margin for the Paediatrics segment amounted to 74% (76%) and for the Adult Health segment to 67% (68%).

Operating expenses and operating profit

Operating expenses amounted to SEK 440.5 million (329.2), an increase of SEK 111.3 million, (34%), of which the acquisition of Nutraceutics accounted for an increase of SEK 97.0 million (29%). Excluding other operating expenses (exchange losses/gains), operating expenses increased by 37%.

Excluding Nutraceutics (now BioGaia USA), operating expenses increased SEK 14.4 million (4%).

Operating expenses included costs of evaluation of acquisition candidates of SEK 1.2 million (9.3), restructuring costs (relating to personnel) of SEK 5.6 million (8.9) and the reversal of previous impairment of right-of-use assets linked to a rental contract for premises in Lund of SEK -1.7 million (4.2). Excluding these costs, operating expenses amounted to SEK 435.4 million (306.9), an increase of SEK 128.5 million (42%).

Selling expenses amounted to SEK 320.8 million (192.4), an increase of 67%, mainly due to the acquisition of Nutraceutics and increased costs for sales and marketing activities.

R&D expenses amounted to SEK 106.8 million (105.5), an increase of 1%. R&D expenses include costs for the subsidiaries MetaboGen AB and BioGaia Pharma AB of SEK 20.8 million (23.4).

Administrative expenses amounted to SEK 39.8 million (42.5), a decrease of 6%. The reduction in administrative expenses is attributable to decreased costs for evaluation of acquisition candidates and the reversal of previous impairment of right-of-use assets linked to a rental contract.

Other operating expenses refers to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK -27.0 million (-11.2).

Operating profit amounted to SEK 361.5 million (253.7), an increase of 42%. The operating margin was 33% (32%).

Operating profit excluding costs for the evaluation of acquisition candidates, restructuring costs and the reversal of previous impairment of right-of-use assets linked to a rental contract totalled SEK 366.5 million (276.1), an increase of SEK 90.4 million (33%). The operating margin excluding costs for the evaluation of acquisition candidates, restructuring costs and the reversal of previous impairment of right-of-use assets linked to a rental contract totalled 33% (35%).

Profit after tax and earnings per share

Profit after tax amounted to SEK 373.6 million (196.3), an increase of 90%. The effective tax rate was 17% (22%). Profit after tax was impacted by financial income from the adjustment of the value of an additional purchase price in the amount of SEK 80.0 million. The financial income is non-taxable, which is why the effective tax rate is lower.

Earnings per share amounted to SEK 3.70 (1.94). There are no dilutive effects.

Parent Company

The Parent Company's net sales amounted to SEK 945.3 million (732.0) and profit before tax was SEK 316.0 million (185.9). Impairment was recognised of shares in a subsidiary corresponding to the group contribution for the year and a further impairment of SEK 12 million relating to shares in MetaboGen. The financial performance of the Parent Company is in all material respects aligned with that of the Group.



Balance sheet and cash flow

BALANCE SHEET 31 DECEMBER 2022

Total assets amounted to SEK 2,214.0 million (2,128.1).

Goodwill from the acquisition of Nutraceutics was adjusted for currency translation, and amortisation of other surplus values identified in the acquisition. The financial liability for the additional purchase price was value adjusted. For more information, see Note 4. Compared with the preceding year, inventories and trade receivables increased while trade payables decreased.

CASH FLOW FOURTH QUARTER

Cash flow amounted to SEK 89.0 million (-43.6).

Cash flow from operating activities amounted to SEK 94.2 million (56.3). The increase in cash flow in operations compared with the year-earlier period is due to higher operating profit and a positive change in working capital.

Cash and cash equivalents at 31 December 2022 amounted to SEK 1,488.4 million (1,484.7).

CASH FLOW JANUARY – DECEMBER

Cash flow amounted to SEK -12.8 million (13.1). Cash flow includes a dividend of SEK 301.3 million (68.9) as well as a provision to the Foundation to Prevent Antibiotic Resistance of SEK 2.9 million (2.8).

Cash flow from operating activities amounted to SEK 318.9 million (221.9). The increase in cash flow in operations compared with the year-earlier period is due to higher operating profit, which was partially offset by a negative change in working capital.

Investments in property, plant and equipment amounted to SEK 17.9 million (6.4). Investments in financial assets amounted to SEK 0.0 million (22.2). The preceding period relates to acquisitions of shares in Boneprox AB and Skinome AB in conjunction with the establishment of BioGaia Invest AB.

Other disclosures

EMPLOYEES

The number of employees in the Group at 31 December 2022 was 212 (167 at 31 December 2021).

The company has an incentive programme 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 programme BioGaia has also implemented a subscription warrants programme as resolved by the 2021 Annual General Meeting.

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, online sales, increased sales to both existing and new customers and a controlled cost level.

The long-term financial target is an operating margin (operating profit in relation to sales) of at least 34% with continued strong growth and increased investments in research, product development, brand building and the sales organisation. BioGaia's dividend policy is to pay a shareholder dividend equal to 50% of profit after tax in the Group excluding non-recurring items.

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

SIGNIFICANT RISKS AND UNCERTAINTIES – GROUP AND PARENT COMPANY

Significant risks and uncertainties are described in the administration report of the annual report for 2021 on pages 47 and 48 and in Notes 27 and 28. No significant changes in these risks and uncertainties are assessed to have taken place at 31 December 2022 except for the impact of Russia's invasion of Ukraine and the general macroeconomic situation as set out below.

There is uncertainty about how and the extent to which BioGaia's operations will be affected by the current conflict in Ukraine. BioGaia has no operations in Ukraine or Russia and no suppliers in these countries. In addition, there is uncertainty over the general macroeconomic situation with higher interest rates, inflation and cost increases and it cannot be ruled out that BioGaia's revenues and costs could be affected by this. To counteract this, BioGaia has announced price increases.

RELATED PARTY TRANSACTIONS

The Parent Company owns 100% of the shares in BioGaia Probiotics Canada Inc, BioGaia UK Ltd, BioGaia Finland Oy, BioGaia Invest AB, MetaboGen AB, BioGaia Biologics Inc. USA, BioGaia Japan Inc, BioGaia Production AB, CapAble AB and Tripac AB. The Parent Company also owns 96% of the shares in BioGaia Pharma AB and 80% of the shares in Nutraceutics Inc.

Annwall & Rothschild Investment AB owns 3,703,340 class A shares and 500,000 class B shares, corresponding to 4.2% of the share capital and 27.9% of the voting rights in BioGaia AB. Annwall & Rothschild Investment AB is owned by Peter Rothschild and Jan Annwall. Peter Rothschild is Chairman of the Board of BioGaia AB and receives a director's fee of SEK 705,000 per year. During the quarter, Peter Rothschild received additional remuneration for significant working duties, in addition to his assignment on the Board, of SEK 150,000 in accordance with the decision of the Annual General Meeting and the Board of Directors.



KEY EVENTS IN THE FOURTH QUARTER OF 2022

Launches in the fourth quarter of 2022

Distributor	Country	Product
Ascendis	Botswana	Protectis drops
Ascendis	Botswana	Protectis tablets
EwoPharma	Czech Republic	BioGaia Prodentis Kids lozenges
EwoPharma	Albania	BioGaia Protectis drops
EwoPharma	Albania	BioGaia Protectis drops with vitamin D
EwoPharma	Kosovo	BioGaia Protectis drops
EwoPharma	Kosovo	BioGaia Protectis drops with vitamin D
BioGaia	UK	BioGaia Protectis tablets with new flavour (strawberry)
Abbott	Ecuador	BioGaia Gastrus
Abbott	Ecuador	BioGaia Prodentis lozenges
Abbott	Chile	BioGaia Prodentis lozenges
Abbott	Chile	BioGaia Protectis tablets with vitamin D
Abbott	Cambodia	BioGaia Protectis tablets
Ferozsons	Pakistan	BioGaia Protectis drops with vitamin D
PT Interbat	Indonesia	BioGaia Prodentis lozenges with new flavour (apple)
Monos Pharma	Mongolia	BioGaia Prodentis lozenges

BioGaia's profit for third quarter exceeds market expectations. On 17 October, BioGaia announced that profit for the third quarter exceeded market expectations.

KEY EVENTS AFTER THE END OF THE FOURTH QUARTER OF 2022

No significant events have occurred after the end of the fourth quarter that were not included in this year-end report.

Accounting policies

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

NEW ACCOUNTING STANDARDS

Management's assessment is that new and amended standards and interpretations that came into force in 2022 have not had a material effect on the Group's financial statements. Management's assessment is that new and amended standards and interpretations that have not yet come into effect will not have a material effect on the Group's financial statements for the period of initial application.


SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(Amounts in SEK 000s)</i>	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
	2022	2021	2022	2021
Net sales (Note 1)	274,283	206,163	1,103,957	785,110
Cost of sales	-66,291	-47,129	-302,028	-202,161
<i>Gross profit</i>	<i>207,992</i>	<i>159,034</i>	<i>801,929</i>	<i>582,949</i>
Selling expenses	-88,538	-66,605	-320,798	-192,437
Administrative expenses	-13,423	-12,157	-39,818	-42,546
Research and development expenses	-31,431	-30,479	-106,805	-105,467
Other operating expenses/operating income	-3,474	3,298	26,951	11,238
<i>Operating profit</i>	<i>71,126</i>	<i>53,090</i>	<i>361,459</i>	<i>253,737</i>
Financial income	81,428	43	91,540	107
Financial expenses	-105	-499	-5,386	-1,132
<i>Profit before tax</i>	<i>152,449</i>	<i>52,634</i>	<i>447,613</i>	<i>252,712</i>
Tax	-13,212	-14,359	-74,031	-56,439
Profit for the period	139,237	38,275	373,582	196,273
Items that may be subsequently reclassified to profit or loss				
Gains/losses arising on translation of the statements of foreign operations	-15,846	744	25,722	1,994
Comprehensive income for the period	123,391	39,019	399,304	198,267
Profit for the period attributable to:				
Owners of the Parent Company	139,237	38,275	373,582	196,273
Non-controlling interests	–	–	–	–
	139,237	38,275	373,582	196,273
Comprehensive income for the period attributable to:				
Owners of the Parent Company	123,391	39,019	399,304	198,267
Non-controlling interests	–	–	–	–
	123,391	39,019	399,304	198,267
Earnings per share				
Earnings per share before dilution, (SEK) *)	1.38	0.38	3.70	1.94
Earnings per share after dilution, (SEK) *)	1.38	0.38	3.70	1.94
Number of shares (thousands)	100,982	100,982	100,982	100,982
Average number of shares before dilution, (thousands) *)	100,982	100,982	100,982	100,982
Average number of shares after dilution, (thousands) *)	100,982	100,982	100,982	100,982

*) In view of the 5:1 share split, which took place in May 2022, historical key ratios based on the number of shares have been restated.



CONSOLIDATED BALANCE SHEETS

<i>Summary (amounts in SEK 000s)</i>	31 Dec 2022	31 Dec 2021
ASSETS		
Property, plant and equipment	144,168	138,555
R&D projects in progress	46,075	48,086
Goodwill	171,517	149,227
Right-of-use assets	13,557	15,080
Financial assets	25,793	22,229
Deferred tax assets	15,325	2,757
Other non-current receivables	50	43
<i>Total non-current assets</i>	<i>416,485</i>	<i>375,977</i>
Current assets excl. cash and cash equivalents	309,115	267,397
Cash and cash equivalents	1,488,366	1,484,680
Total current assets	1,797,481	1,752,077
TOTAL ASSETS	2,213,966	2,128,054
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent Company	1,972,225	1,877,365
Non-controlling interests	2	2
Total equity (Note 2)	1,972,225	1,877,367
Deferred tax liability	12,552	14,240
Non-current liabilities	64,005	109,493
Current liabilities	165,182	126,954
TOTAL LIABILITIES AND EQUITY	2,213,966	2,128,054

CONSOLIDATED CASH FLOW STATEMENTS

<i>Summary (amounts in SEK 000s)</i>	Oct–Dec 2022	Oct–Dec 2021	Jan–Dec 2022	Jan–Dec 2021
Operating activities				
Operating profit	71,126	53,090	361,459	253,737
Depreciation/amortisation	6,640	5,135	23,890	27,241
Unrealised gains/losses on forward contracts	–	–	–	2,403
Other non-cash items	2,945	2,833	-9,103	-2,356
Paid tax	1,760	-3,203	-54,910	-55,934
Interest received and paid	5,137	-499	2,248	-1,068
Cash flow from operating activities before changes in working capital	87,608	57,356	323,584	224,023
Changes in working capital	6,601	-1,091	-4,641	-2,148
Cash flow from operating activities	94,209	56,265	318,943	221,875
Purchase of property, plant and equipment	-2,373	-3,184	-17,916	-6,379
Purchase of intangible assets	-225	–	-225	–
Purchase of financial assets	–	–	–	-22,229
Acquisitions of subsidiaries	–	-86,918	–	-98,359
Cash flow from investing activities	-2,598	-90,102	-18,141	-126,967
Dividend	–	–	-301,331	-68,870
Repayment of loans	–	-7,174	–	-7,174
Repayment of lease liability	-2,603	-2,138	-9,143	-7,527
Provision to Foundation to Prevent Antibiotic Resistance	–	–	-2,900	-2,800
New issue of warrants	–	-464	–	4,989
Repurchase of warrants	-8	–	-214	-464
Cash flow from financing activities	-2,611	-9,776	-313,588	-81,846
Cash flow for the period	89,000	-43,613	-12,786	13,062
Cash and cash equivalents at the beginning of the period	1,402,409	1,529,736	1,484,680	1,467,883
Exchange difference in cash and cash equivalents	-3,043	-1,443	16,472	3,735
Cash and cash equivalents at the end of the period	1,488,366	1,484,680	1,488,366	1,484,680



NOTE 1 REPORTING BY SEGMENT – GROUP

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

- **Paediatrics segment** (drops, gut health tablets, oral rehydration solution (ORS) and cultures to be used as ingredients in licensee products (such as infant formula) as well as royalty revenues for paediatric products).
- **Adult Health segment** (gut health tablets, oral health lozenges and cultures as an ingredient in a licensee's dairy products, Nutraceuticals' own products as well as royalty revenues for Adult Health products).
- **Other segment** (smaller segments such as royalty from packaging solutions).

For the above segments BioGaia reports revenue and gross profit, which are monitored regularly by the CEO (who is regarded as the chief operating decision maker) together with the Executive Management. There is no monitoring of the company's total assets and liabilities against the segments' assets.

<i>(Amounts in SEK 000s)</i>	Oct–Dec 2022	Oct–Dec 2021	Jan–Dec 2022	Jan–Dec 2021
Revenue by segment				
Paediatrics	207,391	150,108	868,355	603,689
Adult Health	64,749	55,160	230,205	176,855
Other	2,144	894	5,398	4,566
Total	274,283	206,163	1,103,957	785,110
Gross profit by segment				
Paediatrics	159,059	118,199	643,607	458,480
Adult Health	46,912	39,995	153,298	119,958
Other	2,022	840	5,025	4,511
Total	207,992	159,034	801,929	582,949
Selling, administrative, R&D expenses	-133,392	-109,242	-467,421	-340,450
Other operating expenses/income	-3,474	3,298	26,951	11,238
Operating profit	71,126	53,090	361,459	253,737
Net financial items	81,323	-456	86,154	-1,025
Profit before tax	152,449	52,634	447,613	252,712
Sales by geographical market				
APAC				
Paediatrics	28,008	32,783	118,684	101,469
Adult Health	30,484	39,966	100,226	110,892
Other	1,502	551	4,074	2,092
Total APAC	59,994	73,300	222,983	214,453
EMEA				
Paediatrics	112,962	74,089	450,159	288,383
Adult Health	14,844	10,617	60,190	45,103
Other	608	269	1,126	2,318
Total EMEA	128,415	84,975	511,475	335,804
Americas				
Paediatrics	66,420	43,236	299,512	213,837
Adult Health	19,421	4,577	69,788	20,860
Other	34	75	198	156
Total Americas	85,875	47,888	369,499	234,853
Total	274,283	206,163	1,103,957	785,110



<i>Date of recognition</i>	Oct–Dec	Oct–Dec	Jan–Dec	Jan–Dec
<i>Performance obligations met on specific date (Product sales)</i>	2022	2021	2022	2021
Paediatrics	207,391	147,715	867,503	595,361
Adult Health	62,452	49,872	213,360	155,355
Other	1,630	691	4,488	2,748
Total	271,473	198,278	1,085,352	753,464
<i>Performance obligations met over time (Royalty)</i>				
Paediatrics	0	2,394	852	8,329
Adult Health	2,296	5,288	16,844	21,500
Other	514	203	909	1,817
Total	2,810	7,885	18,606	31,646
Total	274,283	206,163	1,103,957	785,110

NOTE 2 SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(Amounts in SEK 000s)</i>	Jan–Dec 2022	Jan–Dec 2021
Opening balance	1,877,367	1,746,245
New issue and repurchase of warrants	-214	4,525
Dividend	-301,331	-68,870
Provision to Foundation to Prevent Antibiotic Resistance	-2,900	-2,800
Comprehensive income for the period	399,304	198,267
Closing balance	1,972,225	1,877,367

NOTE 3 LARGEST SHAREHOLDERS AT 31 DECEMBER 2022 (SOURCE: MONITOR)

	A shares	B shares	Share capital	No. of votes	Capital	Votes
1 Annwall & Rothschild Investments AB	3,703,340	500,000	840,668	37,533,400	4.2%	27.9%
2 EQT		11,164,630	2,232,926	11,164,630	11.1%	8.3%
3 Fjärde AP-fonden		8,070,000	1,614,000	8,070,000	8.0%	6.0%
4 Premier Miton Investors		6,215,183	1,243,037	6,215,183	6.2%	4.6%
5 TIN Fonder		3,144,175	628,835	3,144,175	3.1%	2.3%
6 Cargill Inc		3,000,000	600,000	3,000,000	3.0%	2.2%
7 Handelsbanken Fonder		2,474,781	494,956	2,474,781	2.5%	1.8%
8 Tredje AP-fonden		2,438,907	487,781	2,438,907	2.4%	1.8%
9 AMF Pension & Fonder		2,275,985	455,197	2,275,985	2.3%	1.7%
10 Juno Investment Partners		1,977,135	395,427	1,977,135	2.0%	1.5%
Other shareholders		56,018,174	11,203,635	56,018,174	55.5%	41.7%
Total	3,703,340	97,278,970	20,196,462	134,312,370	100%	100%



NOTE 4 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.

During the fourth quarter, a new forecast concerning sales in Nutraceutics in 2027 was prepared showing lower sales than the previous forecast. BioGaia's best assessment of fair value of the financial liability related to the additional purchase price at 31 December 2022 was therefore adjusted to SEK 33.6 million. In conjunction with the year-end accounts, BioGaia conducted an impairment test of Nutraceutics that showed that there was no impairment requirement. Estimates of fair value are based on Level 3 of the hierarchy for fair value, which means fair value is determined using valuation models where significant inputs are based on unobservable data. The measurement was based on anticipated future cash flows discounted with a market-based interest rate. The value adjustment is recognised as financial income of SEK 80.0 million for the full year and is mainly attributable to the adjusted sales forecast.

<i>(Amounts in SEK 000s)</i>	Jan–Dec 2022	Jan–Dec 2021
Opening balance	100,591	–
Value adjustment	- 80,013	–
Exchange differences	13,049	–
Closing balance	33,627	100,591

Financial assets

BioGaia owns shares in the companies Boneprox AB and Skinome AB through BioGaia Invest at a cost of SEK 22.2 million. These financial assets are measured at fair value through profit or loss. Estimates of fair value are based on Level 3 of the hierarchy for fair value, which means fair value is determined using valuation models where significant inputs are based on unobservable data.

During the second quarter of 2022, Skinome AB completed a new issue and shares were revalued in an amount of SEK 3.6 million based on the subscription price. The revaluation was recognised as financial income of SEK 3.6 million in the second quarter. During the period, no additional transactions occurred in Boneprox AB or Skinome AB to indicate a change in value. Fair value of these financial assets therefore corresponds to cost for Boneprox AB and value adjustment value for Skinome AB.

The fair values of other receivables, cash and cash equivalents, trade payables and other liabilities are estimated to be equal to their carrying amounts (amortised cost) due to the short maturities.



Consolidated key ratios

	Jan–Dec 2022	Jan–Dec 2021
Net sales, SEK 000s	1,103,957	785,110
Growth of net sales	41%	5%
Operating profit, SEK 000s	361,459	253,737
Profit after tax, SEK 000s	373,582	196,273
Return on equity	19%	11%
Return on capital employed	23%	14%
Capital employed, SEK 000s	1,984,779	1,891,607
Number of shares, thousands	100,982	100,982
Average number of shares before dilution, thousands ¹⁾	100,982	100,982
Average number of shares after dilution, thousands ¹⁾	100,982	100,982
Earnings per share before dilution, SEK ¹⁾	3.70	1.94
Earnings per share after dilution, SEK ¹⁾	3.70	1.94
Equity per share, SEK ¹⁾	19.53	18.59
Equity/assets ratio	89%	88%
Operating margin	33%	32%
Profit margin	41%	32%
Average number of employees	203	161

1) Key ratio defined according to IFRS.

A list of definitions of key ratios reported in the consolidated financial statements is provided on page 60 of BioGaia's annual report for 2021. In this report, BioGaia reports information used by Executive Management to assess the Group's development. Some of the key ratios presented are not defined according to IFRS. The company is of the opinion that these metrics provide valuable complementary information to stakeholders and the company's management since they contribute to evaluation of relevant trends and the company's performance. Since not all companies calculate key ratios in the same manner, these are not always comparable to metrics used by other companies. These key ratios should therefore not be seen as a replacement for metrics defined according to IFRS. With effect from 3 July 2016, ESMA's guidelines on alternative performance measures are applied which means extended disclosure requirements regarding key ratios not defined according to IFRS. A reconciliation of key ratios that BioGaia considers relevant according to these guidelines is provided below.

DEFINITIONS OF KEY RATIOS

Key ratio	Definition/calculation	Purpose
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 analyse 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.
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 period attributable to owners of the Parent Company divided by the average number of shares (definition according to IFRS).	EPS measures how much of net profit is available for payment to the shareholders as dividends per share.
Operating margin (EBIT margin)	Operating profit expressed as a percentage of net sales.	The operating profit margin is used to measure operational profitability.
Equity/assets ratio	Shareholders' equity at the end of the period as a percentage of total assets.	A traditional metric to show financial risk expressed as the share of total assets financed by the shareholders. Shows the company's stability and ability to withstand losses.
Capital employed	Total assets less interest-free liabilities.	Capital employed measures the company's ability, in addition to cash and liquid assets, to meet the requirements of business operations.
Growth	Sales for the period less sales for the year-earlier period divided by sales for the year-earlier period. Breakdown by foreign exchange, organic growth and acquisitions.	Shows the company's realised 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.


KEY RATIO
(Amounts in SEK 000s)

	Jan–Dec 2022	Jan–Dec 2021
Return on equity		
Profit attributable to owners of the Parent Company (A)	373,582	196,273
Equity attributable to owners of the Parent Company	1,972,225	1,877,365
Average equity attributable to owners of the Parent Company (B)	1,924,795	1,811,804
Return on equity (A/B)	19%	11%
Return on capital employed		
Operating profit	361,459	253,737
Financial income	91,540	107
Profit before net financial items + financial income (A)	452,999	253,844
Total assets	2,213,966	2,128,054
Interest-free liabilities	-229,187	-236,447
Capital employed	1,984,779	1,891,607
Average capital employed (B)	1,938,193	1,824,582
Return on capital employed (A/B)	23%	14%

KEY RATIO
(Amounts in SEK 000s)

	31 Dec 2022	31 Dec 2021
Equity/assets ratio		
Equity (A)	1,972,227	1,877,367
Total assets (B)	2,213,966	2,128,054
Equity/assets ratio (A/B)	89%	88%
Operating margin		
Operating profit (A)	361,459	253,737
Net sales (B)	1,103,957	785,110
Operating margin (A/B)	33%	32%
Profit margin		
Profit before tax (A)	447,613	252,712
Net sales (B)	1,103,957	785,110
Profit margin (A/B)	41%	32%
Equity per share		
Equity attributable to owners of the Parent Company (A)	1,972,225	1,877,365
Average number of shares (B)	100,982	100,982
Equity per share (A/B)	19.53	18.59



CHANGE IN SALES BY SEGMENT (INCLUDING AND EXCLUDING FOREIGN EXCHANGE EFFECTS)

	Paediatrics		Adult Health		Other	Total		
	Oct-Dec 2022	Jan-Dec 2022						
<i>(Amounts in SEK 000s)</i>								
Description								
A Previous year's net sales according to the average rate	150,108	603,690	55,160	176,854	895	4,566	206,163	785,110
B Net sales for the year according to the average rate	207,391	868,355	64,749	230,205	2,144	5,398	274,284	1,103,958
C Recognised change (B-A)	57,283	264,665	9,589	53,351	1,249	832	68,121	318,848
Percentage change (C/A)	38%	44%	17%	30%	140%	18%	33%	41%
D Net sales for the year according to the previous year's average rate	185,767	795,615	58,067	210,855	2,144	5,398	245,978	1,011,869
E Foreign exchange effects (B-D)	21,624	72,740	6,682	19,350	0	0	28,306	92,090
Percentage change (E/A)	14%	12%	12%	11%	0%	0%	14%	12%
G Change acquisitions (excl. foreign exchange effects)	20,346	47,922	9,561	32,157	0	0	29,907	80,078
Percentage change (G/A)	14%	8%	17%	18%	0%	0%	15%	10%
F Organic change (C-E-G)	15,313	144,004	-6,654	1,844	1,249	832	9,908	146,680
Organic change, % (F/A)	10%	24%	-12%	1%	140%	18%	5%	19%

Average key exchange rates

	Oct-Dec 2022	Oct-Dec 2021	Jan-Dec 2022	Jan-Dec 2021
EUR	10.91	10.12	10.58	10.13
USD	10.86	8.76	10.03	8.49
JPY	0.0764	0.0779	0.0771	0.0781

Closing date key exchange rates

	31 Dec 2022	31 Dec 2021
EUR	11.13	10.23
USD	10.44	9.04
JPY	0.0792	0.0785

Pledged assets and contingent liabilities

(Amounts in SEK 000s)

	31 Dec 2022	31 Dec 2021
Floating charges	0	0
Contingent liabilities	None	None



SUMMARY STATEMENTS OF COMPREHENSIVE INCOME – PARENT COMPANY
PARENT COMPANY INCOME STATEMENT

<i>(Amounts in SEK 000s)</i>	Jan–Dec 2022	Jan–Dec 2021
Net sales	945,327	732,009
Cost of sales	-327,060	-256,210
<i>Gross profit</i>	<i>618,267</i>	<i>475,799</i>
Selling expenses	-178,974	-163,189
Administrative expenses	-37,562	-34,630
Research and development expenses	-89,792	-85,563
Other operating expenses/operating income	27,314	11,506
<i>Operating profit</i>	<i>339,253</i>	<i>203,923</i>
Impairment loss on shares in subsidiaries	-27,540	-18,708
<i>Net financial items</i>	<i>4,321</i>	<i>688</i>
<i>Profit before tax</i>	<i>316,034</i>	<i>185,903</i>
Tax	-67,871	-39,344
Profit for the period	248,163	146,559

PARENT COMPANY BALANCE SHEET

<i>Summary (amounts in SEK 000s)</i>	31 Dec 2022	31 Dec 2021
ASSETS		
Property, plant and equipment	3,315	4,747
Intangible assets	225	2,236
Shares in group companies	328,808	331,809
Non-current receivables from subsidiaries	0	10,835
<i>Total non-current assets</i>	<i>332,348</i>	<i>349,627</i>
Current assets excl. cash and cash equivalents	285,783	197,525
Cash and cash equivalents	1,280,710	1,333,570
Total current assets	1,566,493	1,531,095
TOTAL ASSETS	1,898,841	1,880,722
EQUITY AND LIABILITIES		
Equity	1,659,718	1,716,000
Non-current liabilities	0	3,380
Interest-free current liabilities	239,123	161,342
TOTAL LIABILITIES AND EQUITY	1,898,841	1,880,722


PARENT COMPANY CASH FLOW STATEMENT

<i>Summary (amounts in SEK 000s)</i>	Jan–Dec 2022	Jan–Dec 2021
Operating activities		
Operating profit	339,253	203,923
Depreciation/amortisation	3,667	3,736
Other non-cash items	-11,999	1,693
Forward exchange contracts	–	2,403
Paid tax	-39,284	-46,786
Interest received and paid	4,320	688
Cash flow from operating activities before changes in working capital	295,957	165,657
Changes in working capital	-55,573	-5,872
Cash flow from operating activities	240,384	159,784
Purchase of intangible assets	-225	–
Purchase of property, plant and equipment	–	–
Sale of property, plant and equipment	–	–
Purchase of financial assets	-9,117	-199,364
Sale of financial assets	–	22,229
Repayment of loans from subsidiaries	10,835	–
Cash flow from investing activities	1,493	-177,135
Dividend	-301,331	-68,870
Provision to Foundation to Prevent Antibiotic Resistance	-2,900	-2,800
Repurchase of warrants	-214	-464
Cash flow from financing activities	-304,445	-72,134
Cash flow for the period	-62,568	-89,484
Cash and cash equivalents at the beginning of the period	1,333,570	1,419,361
Exchange difference in cash and cash equivalents	9,709	3,693
Cash and cash equivalents at the end of the period	1,280,710	1,333,570

SUMMARY PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

<i>(Amounts in SEK 000s)</i>	Jan–Dec 2022	Jan–Dec 2021
Opening balance	1,716,000	1,636,587
Dividend	-301,331	-68,870
Provision to Foundation to Prevent Antibiotic Resistance	-2,900	-2,800
New issue, net	–	–
New issue warrants	-214	4,525
Comprehensive income for the period	248,163	146,559
Closing balance	1,659,718	1,716,000



Financial calendar

<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">MAR 2023</div> <div style="margin-left: 20px;">🕒 Annual Report 2023</div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">21 JUL 2023</div> <div style="margin-left: 20px;">🕒 8:00 a.m. CEST Interim Report 1 January – 30 June 2023</div>
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">5 MAY 2023</div> <div style="margin-left: 20px;">🕒 Annual General Meeting 2023</div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">20 OCT 2023</div> <div style="margin-left: 20px;">🕒 8:00 a.m. CEST Interim management statement 1 January – 30 September 2023</div>
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">5 MAY 2023</div> <div style="margin-left: 20px;">🕒 8:00 a.m. CET Interim management statement 1 January – 31 March 2023</div>	

Stockholm, 2 February 2023

Peter Rothschild
Board Chairman

David Dangoor
Vice Chairman

Ewa Björling
Member of the Board

Christian Bubenheim
Member of the Board

Peter Elving
Member of the Board

Bénédicte Flambard
Member of the Board

Anthon Jahreskog
Member of the Board

Niklas Ringby
Member of the Board

Vanessa Rothschild
Member of the Board

Isabelle Ducellier
CEO

AUDITOR'S REVIEW REPORT

Introduction

We have reviewed the year-end report of BioGaia AB (publ), for the period 1 January – 31 December 2022. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

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

Conclusion

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

Stockholm, 2 February 2023

Deloitte AB

Jenny Holmgren
Authorised Public Accountant



BioGaia AB

THE COMPANY

BioGaia is an innovative Swedish healthcare company and has been a world-leader in food supplements with probiotics for more than 30 years. BioGaia develops, markets and sells probiotic products with documented health benefits. The products are primarily based on different strains of the lactic acid bacterium *Limosilactobacillus* reuteri*.

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

BUSINESS MODEL

BioGaia's business model is based on long-term collaboration with international networks within research, production and distribution.

BioGaia's revenue comes mainly from the sale to distributors of drops, tablets and capsules for gut health, oral rehydration solution (ORS), lozenges for oral health and capsules for bone health. Revenue is also earned from 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.

The products are sold through pharmaceutical and nutrition companies in over 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 a number of 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. Of products (drops, tablets for gut and oral health, oral rehydration, etc.) sold in 2022, 86% (81%) were sold under the BioGaia brand including co-branding.

Some of BioGaia's distributors sell finished consumer products under their own brand names. On these products, the BioGaia brand is shown on the consumer package since BioGaia is both the manufacturer and licensor.

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

RESEARCH AND CLINICAL STUDIES

BioGaia's *L. reuteri* strains are among the most studied probiotics in the world, especially in young children. To date, over 250 clinical studies with BioGaia's *L. reuteri* strains have been performed on more than 21,000 individuals of all ages.

Studies have been performed on:

- Infantile colic
- Antibiotic-associated diarrhoea (AAD)
- Acute diarrhoea
- Gingivitis (inflammation of the gums)
- Periodontal disease
- *Helicobacter pylori* (the gastric ulcer bacterium)
- Low bone density
- Diverticulitis

* Previously *Lactobacillus*.

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