2025

Annual and
Sustainability Report 2025



BioGaia®

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About BioGaia

Who we are

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

The Group has 242 employees working across research and development, production, marketing, and sales. We operate in three geographic markets: EMEA (Europe, Middle East and Africa), the AMERICAS (the US, Canada and South America), and APAC (Asia-Pacific, Australia and New Zealand). To meet market demands, we maintain an efficient and diversified product supply chain.

What we do

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

When BioGaia was founded in 1990, our probiotic products were primarily distributed through partners under their own brands. In 2006, we introduced the BioGaia brand. Strengthening our brand presence remains a central part of our strategy, and today more than 95 percent of our products are sold under the BioGaia brand or in co-branding collaborations.

Why we do it

Our probiotic products, backed by clinically proven efficacy, contribute to improved health and well-being around the world. On average, we invest approximately 10 percent of our net sales in research and development to deepen our understanding of probiotics and the human microbiome, discover new bacterial strains for both existing and new indications, and strengthen our future product portfolio.

Through a global research network, we collaborate with leading experts in probiotics to develop innovative solutions that make a real difference in people's lives.

Years of research and innovation
> 35

Granted patents
> 500

Clinical studies with BioGaia's bacteria strains
> 290

Number of countries where BioGaia sells products
> 100

Percent of products sold under BioGaia brand including co-branding
95

Percent of sales through own subsidiaries
> 40



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The History of BioGaia

BioGaia was founded at the intersection of scientific curiosity and entrepreneurial initiative during a period when interest in beneficial bacteria was beginning to emerge. In the late 1980s, advances in microbiology, combined with practical challenges in food production and preservation, created the conditions for exploring new applications of probiotic strains.

In the late 1980s and early 1990s, Swedish entrepreneurs Peter Rothschild and Jan Annwall were importing organic vegetables and specialty yogurt from France to Sweden. Seeking ways to preserve the vegetables during long transport, they explored the potential of beneficial bacteria. By chance, on a ski lift in Verbier, Per Hellström, a friend of Peter Rothschild, met Sven Lindgren, a researcher with expertise in *Limosilactobacillus reuteri (L. reuteri*), a patented probiotic bacterium. This encounter sparked the idea of combining their practical needs with the potential of *L. reuteri.*

Early experiments demonstrated that while *L. reuteri* was not effective for preserving vegetables, it could be used as a probiotic to support health of poultry, offering a natural alternative to prophylactic antibiotic use in turkey and chicken production in the United States. Technically, this approach was successful; however, it proved commercially challenging, as antibiotics were less expensive than probiotics. Nevertheless, these initial studies highlighted the broader potential of probiotics and laid the foundation for a future focus on human health.

In 1990, BioGaia was formally established. The company acquired the rights to Reuteri® and assembled a dedicated team in research and development, enabling the transition from experimental findings to commercial products. In 1991, BioGaia launched its first functional food product, BRA Milk (B for bifidus, R for reuteri, A for acidophilus), in partnership with a small independent Swedish dairy.

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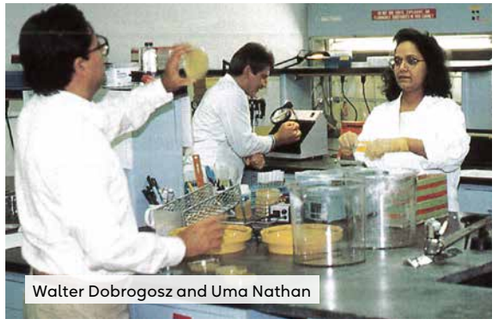
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Early days in the BioGaia lab





Walter Dobrogosz and Uma Nathan

Despite initial regulatory challenges, BRA Milk became the first probiotic milk in Europe and the second in the world. Over the following years, BioGaia expanded its functional food portfolio to include yogurt, juice, cream cheese, and other probiotic products, sold in parallel with the ongoing animal feed experiments.

Scientific research played a central role in BioGaia's development. At the Swedish University of Agricultural Sciences (SLU) in Uppsala, researchers including Sven Lindgren, Walter Dobrogosz (visiting scientist from the USA), and Lars Axelsson studied how beneficial bacteria could inhibit harmful microorganisms. They identified *L. reuteri* as a particularly promising species, producing reuterin, a compound that effectively inhibits growth of harmful bacteria, including E. coli. Stefan Roos later joined the team, contributing to the documentation of *L. reuteri*'s unique properties.

In parallel, studies led by researcher Ivan Casas focused on identifying human-origin strains of *L. reuteri.* Initial breastmilk samples collected in urban hospital environments showed no detectable presence of the bacterium, likely reflecting the highly sanitized conditions typical of hospitals. Instead, Ivan Casas conducted field studies in Huancayo in the Peruvian Andes, where everyday living conditions were less influenced by modern sanitation and lifestyle patterns. In these traditional environments, *L. reuteri* was found to persist in the population, and numerous strains of *L. reuteri* were isolated from breastmilk.

These findings demonstrated that the strain had not disappeared from humans, but had become less prevalent in highly sanitized, industrialized environments. The results confirmed the continued relevance of *L. reuteri* to human health and became an important reference for BioGaia's evolving focus on human applications. Ivan Casas and his team not only confirmed "the circle of life" of L. Reuteri, going from mother to baby through breast milk, but also its colonisation and survival throughout the human gastrointestinal tract.

Over the following years, BioGaia gradually shifted its focus entirely to human health. The launch of Reuteri tablets in 2000 marked a major milestone, and these products today represent a large portion of BioGaia's revenue. Subsequent innovations included LifeTop™ Straw (2001), Reuteri oil drops for infants (2004), and the patented LifeTop™ Cap (2005). BioGaia was listed on the Innovation Market in 1996 and on the Stockholm Stock Exchange's O-list in 1998. Today, BioGaia is a Swedish, world-leading probiotic company that has been at the forefront of microbiome research for over three decades.

Curiosity about the unknown and a commitment to innovation continue to guide our development. From the beginning, we have worked closely with academic researchers around the world, embracing research as a collaborative approach that drives new discoveries in probiotic science.

BioGaia was built on true partnership – two founders with complementary strengths working as equals. Together, they created a business grounded in trust, respect and a shared belief that scientific innovation should contribute to improving people's health and doing good for society.

More about BioGaia's early history can be found on page 74.



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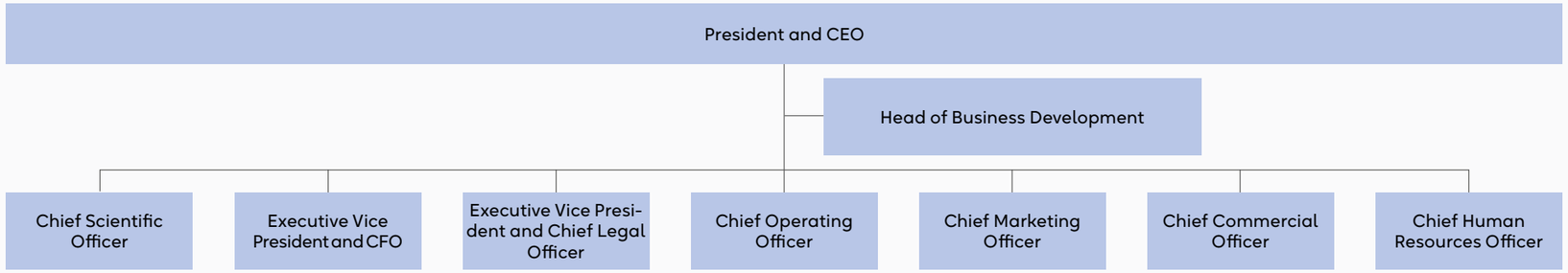
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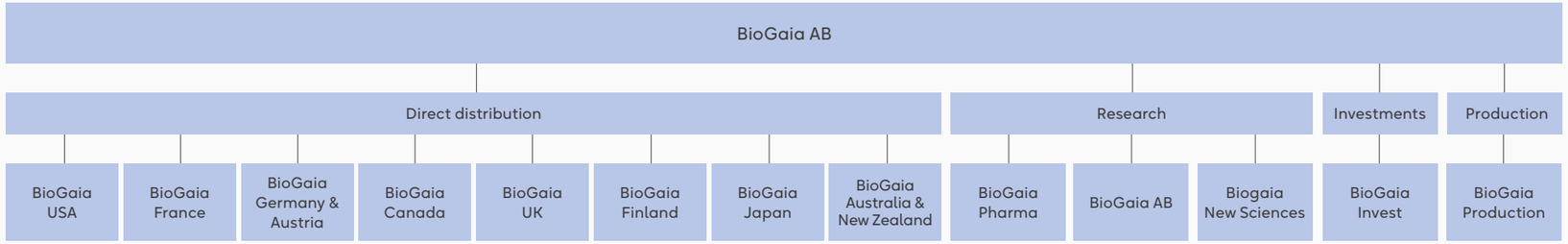
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Organization and group

Organization



Group



Note: BioGaia Sweden and BioGaia Netherlands as direct markets are part of BioGaia AB

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Key corporate events during the year

First quarter 2025

January 16 BioGaia announced the termination of its distribution agreement with its partner in France and initiated the establishment of direct distribution in the French market.

February 4 BioGaia communicated that its fourth-quarter results were expected to exceed market expectations.

March 20 BioGaia announced that Anatom Holding, a Switzerland-based long-term investment firm, had become a new anchor shareholder.

Second quarter 2025

May 7 BioGaia announced the establishment of direct sales in the Netherlands, initially through an online approach.

May 16 BioGaia was ranked among TIME's 500 best global companies in sustainable growth.

May 30 BioGaia announced a change in the number of votes in BioGaia.

Third quarter 2025

July 16 BioGaia announced the launch of a subsidiary, BioGaia New Sciences AB, dedicated to advancing microbiome research and innovation.

August 22 Former chairman Peter Rothschild published a letter titled "Passing the Baton After 35 Years."

August 22 At an extraordinary general meeting, it was resolved to elect Mauricio Graber as a new board member and chairman of the board, following Peter Rothschild's decision to step down.

August 27 BioGaia announced that newly elected chairman Mauricio Graber had entered into an agreement to purchase shares from Anatom Holding, BioGaia's anchor shareholder.

September 1 BioGaia reported that a recent study showed BioGaia's patented bacteria strain, *L. reuteri* Protectis®, prevents antibiotic-associated diarrhea (AAD) in children.

September 10 BioGaia announced the establishment of its own distribution in Germany and Austria.

September 30 BioGaia launched Prodentis® FRESH BREATH, a probiotic promoting instant and long-lasting fresh breath while supporting healthy gums and teeth.

Fourth quarter 2025

October 16 BioGaia announced that the scientific rationale and identification of its newly patented strain, *Limosilactobacillus reuteri* BG-R46®, had been published in the journal Beneficial Microbes.

October 28 BioGaia announced that researchers at the University of Gothenburg and BioGaia had identified specific gut bacteria capable of producing serotonin, a key bioactive substance in the microbiota–gut–brain axis.

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Key sustainability events during the year

Science-Based Climate Targets

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

100% certified paper packaging

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

Bio-based containers

From 2025, the containers[1], purchased for BioGaia Production, contain plastic certified according to ISCC's mass balance system , based on 100 percent bio-based raw material.

Supplier sustainability assessments

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

HACCP recertification

BioGaia successfully completed Hazard Analysis and Critical Control Points (HACCP) recertification during the year, with no deviations identified, confirming our commitment to food safety and quality management.

Climate Transformation Fund

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

UN Global Compact signatory

BioGaia became a signatory to the UN Global Compact, reinforcing our commitment to responsible business practices and the UN's Ten Principles.

MSCI AA rating

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

Low Carbon Leader recognition

Sustainalytics identified BioGaia as a Low Carbon Leader, recognizing strong performance in managing climate transition risks.

TIME 500 Sustainable Growth ranking

TIME Magazine and Statista ranked BioGaia among the World's Top 500 Companies in Sustainable Growth, recognizing strong financial performance paired with responsible environmental stewardship.

1) Container and lid excl. sticker and desiccant.
The transition came into effect on March 24, 2025.

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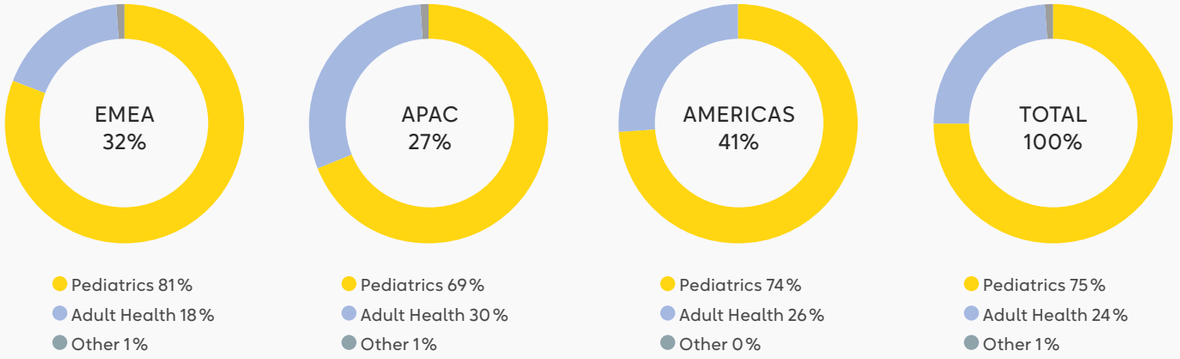
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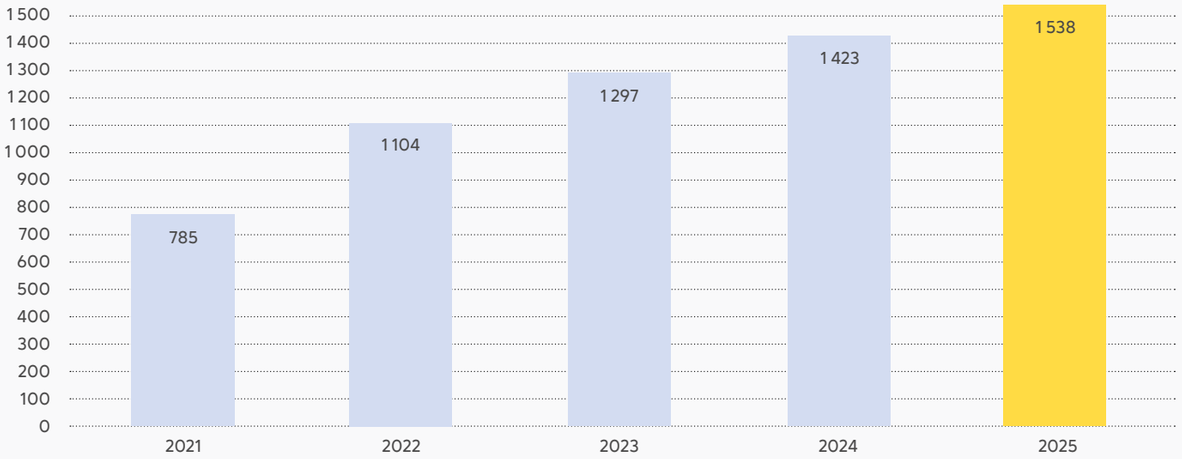
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Financial metrics 2025

Sales by market and segment



Net sales for the past 5 years (SEK million)



Highlights

1538 Net sales SEK million

+14% Organic growth

27% Operating margin

412 Operating profit SEK million

3.29 Earnings per share (SEK)

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35 years of vision and purpose

This year, 2025, marks 35 years since Jan Annwall and I founded BioGaia, and it is also the year I stepped down as Chairman. Over these decades, BioGaia has grown from an ambitious idea into a global company grounded in science and driven by a clear purpose: to provide the world with probiotics that have clinically proven positive effects on human health and well-being.

Letter from our former Chairman - Peter Rothschild

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A journey of challenges and discoveries

It has been a long, challenging, and deeply rewarding journey. We explored different types of business models before eventually finding our path. Looking back, the journey shaped us just as much as we shaped BioGaia.

There were moments when I wondered whether we would ever realize our ambitious idea, but we never gave up. Some decisions proved unexpectedly successful, while others taught us valuable lessons. I learned that things are rarely as good as people believe, nor as bad as they seem. Serendipity matters, but so does the courage to seize opportunities. And when our baby drops were launched in a completely new delivery format, backed by scientific evidence proving they reduce crying time in colicky infants, the company truly took off, improving the quality of life for babies and their families.

Shaping a path through innovation

Over the years, we made several important strategic shifts: from animal health to functional foods and ultimately to supplements. We began with partner distribution, later adding direct channels and our own production. In the early days, we did not sell products under our own brand; gradually, BioGaia became a name we proudly put on every product. We took calculated risks when "probiotics" was barely known and no roadmap existed. But perseverance, curiosity, and a firm belief in our science carried us forward.



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The compass of creativity and leadership

I often joked that the best background for the biotech industry is the shipping industry, and there is some truth to it. When you build a ship, you must calculate how it will perform 15 years into the future. You invest long before you know the return. That long-term mindset shaped us, rooted in problem-solving, creativity, and optimism. Cross-functional teams were essential, and leadership was central to our survival and success. We were pioneers in many ways, discovering the potential of probiotic bacteria before others and creating entirely new formats for probiotic products, such as ORS (Oral Rehydration Solution), drops, and tablets. These innovations have helped BioGaia earn recognition as a trusted leader in probiotics, valued by healthcare professionals and consumers around the world.

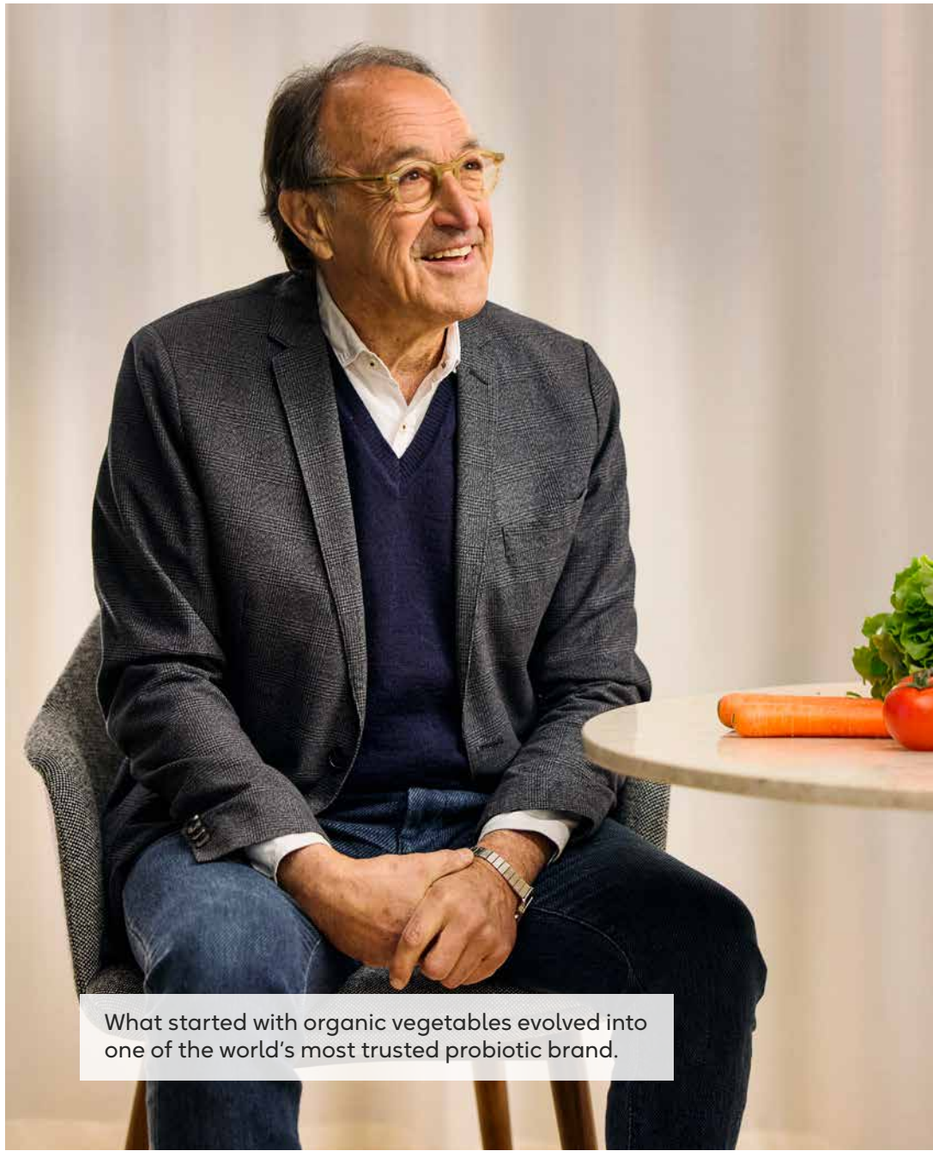
Strategy and growth in motion

Our strategy has worked, and the company is doing very well. We continue to broaden our product portfolio, bring established products into more markets, and develop our successful omnichannel approach. We choose our direct markets carefully, countries with big potential, clear synergies, and room to expand. Today, around 40 percent of our sales come from direct distribution.

A thoughtful transition

Planning for my succession did not begin this year. It started a couple of years ago with the goal of protecting and expanding BioGaia's long-term future. My decision to step down was not an easy one, but I had a clear vision for how the transition should unfold. Selling BioGaia to a large company that would simply integrate it into their organization was never an option for me. My priority was to ensure that BioGaia remained intact, with its culture, values, and entrepreneurial spirit preserved, while securing strong, long-term owners who would continue to support its growth.

That is why I am so pleased with the solution we have reached. Anatom Holding, a family-owned company with deep roots in the nutrition industry, has become our largest shareholder. Mauricio Graber, whom I have known



What started with organic vegetables evolved into one of the world's most trusted probiotic brand.

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Do good, have fun

since his time at Chr. Hansen, brings extensive experience and will serve as chairman. This combination provides exactly what I hoped for: stability, integrity, reassurance, and strength. While it is bittersweet to step aside, I am truly glad that BioGaia will continue to thrive under trusted leadership and with the backing of committed owners. With Mauricio as Chairman, together with CEO Theresa Agnew and our principal shareholder Anatom Holding, BioGaia enters its next chapter with both confidence and ambition.

Carrying the spirit forward

BioGaia has always embraced calculated risk-taking and long-term thinking, from the early years without profit to our position today as a global leader. The spirit of courage, creativity, and scientific curiosity will continue to define BioGaia. We are well positioned for the future, and I look forward to seeing how BioGaia continues to evolve – from the sidelines, with pride and trust in the team.

Peter Rothschild, founder and former Chairman

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A new chapter

It is both an honor and a privilege to address you for the first time as Chairman of BioGaia. Taking over this role from Peter Rothschild, BioGaia's co-founder, long-time CEO, and Chairman, represents both a moment of transition and a continuation of the strong foundations he, together with his co-founder Jan Annwall, shaped.

Letter from our newly appointed Chairman Mauricio Graber

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A company I have long admired

Even before joining the Board, I recognized BioGaia as a company of exceptional quality, respected not only by consumers and healthcare professionals but also across the industry. Its deep roots in science, purpose, and values are evident in everything the company does and have been instrumental in shaping the innovative and resilient organization we see today. On behalf of the Board, I would like to extend my deepest gratitude to Peter for his decades of dedication, for laying the foundation on which we will continue to build, and for fostering a culture of passion, innovation, and collaboration, a legacy we are proud to continue. Under his leadership, BioGaia has grown to over 200 employees worldwide, with products sold in more than 100 countries, net sales exceeding 1.5 billion SEK, 290 clinical studies involving more than 25,000 individuals, and more than 500 granted patents. Today, BioGaia is a globally recognized leader in probiotics, driven by a clear and compelling mission: to provide the world with probiotics that have clinically proven positive effects on health and well-being.

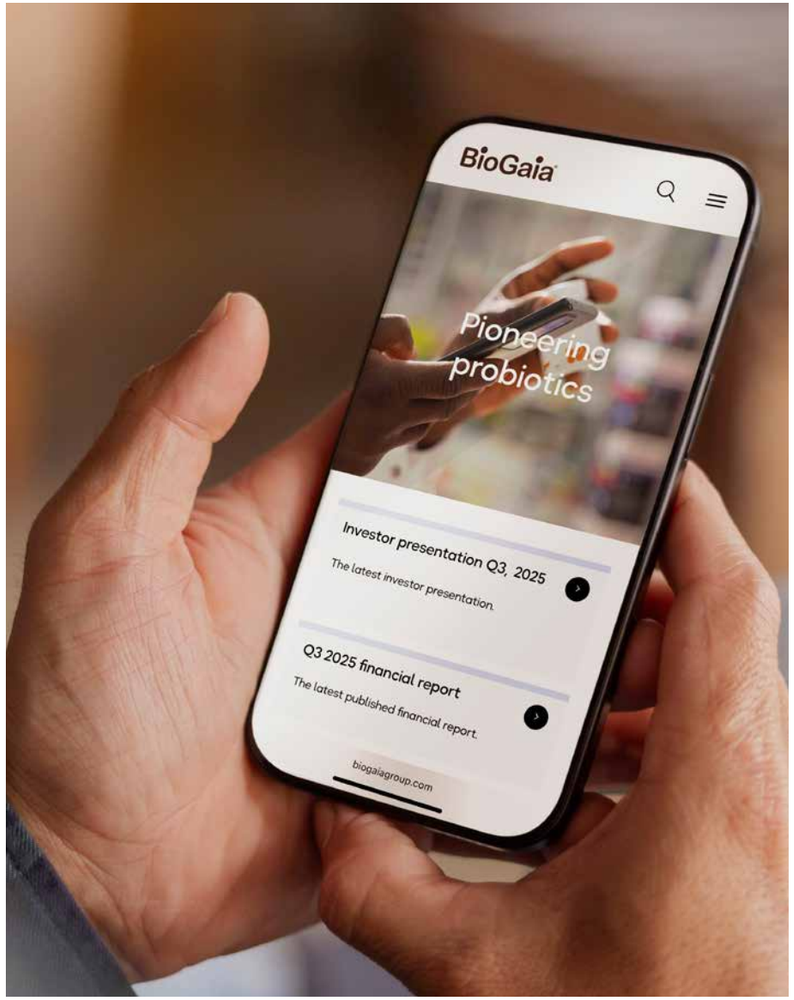


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Looking ahead together

I assume this role with great respect for BioGaia's unique legacy and robust market position, and with equal enthusiasm about the opportunities ahead. I look forward to working closely with our CEO, Theresa Agnew, whose leadership I have great confidence in, and together we will combine our strengths and competences to drive the company forward and seize new opportunities.

In 2026, we will conduct our annual strategy review, assess the core fundamentals of our business and identify opportunities to accelerate profitable growth. We are also planning a Capital Markets Day, where we will present BioGaia's strategy, capabilities, and long-term potential to investors, providing a comprehensive view of how we plan to create value and capture growth opportunities.

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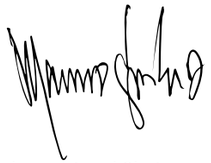
Our newly appointed Chairman is at the headquarters in Stockholm, ready to lead the company forward.

Our strategic path

The Board remains fully committed to supporting management in executing BioGaia's strategy: Grow the Core, Expansion through Direct Markets, and Breakthrough Innovation. This entails strengthening our brand, broadening our product portfolio, expanding presence in key markets, supporting our distribution partners, enhancing direct sales and omnichannel capabilities, and investing in science and innovation, all while maintaining financial stability and profitability. Sustainability and ethical governance will continue to be integral to how we operate and create long-term value for all stakeholders.

Shaping the future

As we build on BioGaia's remarkable legacy, I am inspired by the dedication, passion, and expertise of our people. With a clear mission, a robust strategy, and a culture rooted in science and purpose, BioGaia is exceptionally well positioned to continue its global growth and make a meaningful impact on people's health and well-being. I am confident that my years of experience leading companies within this industry will contribute to guiding BioGaia forward. Together with the Board, the leadership team, and all colleagues, I look forward to shaping the next chapter of BioGaia's story, creating lasting value for our stakeholders and delivering on our promise of innovation, excellence, and sustainability.



Newly appointed Chairman
Mauricio Graber

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CEO's message

2025 was a year defined by achievements, celebrations, and new beginnings. Together, at BioGaia, we continued to execute on our strategy: growing our core business (gut health, immune health, and oral health), expanding through direct markets, and pursuing breakthrough innovation. The progress we made reflects both the strength of our strategy and the dedication, collaboration, and passion of our colleagues and distribution partners around the world.

Theresa Agnew President and CEO

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Solid growth globally

BioGaia maintained solid growth in 2025, with sales reaching SEK 1.538 billion, and organic growth of 14 percent compared with the previous year. These results demonstrate the strong endorsement of our brands by healthcare professionals and consumers and the resilience of our business in challenging economic conditions.

We launched innovative, science-backed products that address clearly defined customer needs, a result of reinventing our innovation process in 2024 and focusing on targeted indications. At the same time, we expanded our direct market presence in key markets, welcoming France and the Netherlands as new direct markets in 2025 and announcing that Germany and Austria will join in early 2026. Our direct markets are growing faster than the category, giving us strong commercial opportunities and a coherent global brand presence.

Strong performance across markets

Our AMERICAS and APAC markets delivered strong results, supported by advanced digital campaigns in China and South Korea and increased visibility on marketplaces such as Amazon in the USA and Canada. Both the USA and Canada achieved record sales, highlighting the power of our omnichannel approach. In EMEA, performance was temporarily affected in France and Germany as we transitioned from partner distribution to direct channels, but these adjustments will strengthen our business in 2026 and for the long term.

Across all regions, the pediatric segment remained resilient, led by BioGaia Protectis baby drops. At the same time, our adult segment continued to grow, driven primarily by BioGaia Prodentis® and BioGaia Gastrus®, supported by targeted marketing and education initiatives. Globally, an increasing focus on personal health and wellness is fueling demand for probiotics across gut health, immune health, and oral health.

" Our direct markets are growing faster than the category, giving us strong commercial opportunities and a coherent global brand presence."

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Expanding our product portfolio

We continued to broaden our portfolio in 2025 with exciting product launches. BioGaia Prodentis® FRESH BREATH has been well received in the adult segment, and BioGaia Gastrus® PURE ACTION continues to exceed expectations. Our skin care probiotic ointment expanded beyond the US and Canada to Finland, UK and Sweden. In pediatrics, we further strengthened our leadership by expanding beyond colic to address conditions such as diarrhea, constipation, and functional abdominal pain.

" Our commitment to science remains at the heart of everything we do and is in the DNA of our company."

Strengthening our scientific foundation

Our commitment to science remains at the heart of everything we do and is in the DNA of our company. The PEARL study confirmed that *Limosilactobacillus reuteri* DSM 17938 reduces antibiotic-associated diarrhea in children. Our next-generation strain, BG-R46®, showed promising preclinical results supporting gut health and early immune development. In oral health, clinical trials demonstrated improved wound healing and patient-reported outcomes following dental surgery.

In a breakthrough for the gut-microbiome-brain axis, we discovered that certain gut bacteria can produce serotonin, opening exciting opportunities for future probiotic products targeting both gut health and mental health. These achievements underscore BioGaia's position as a global leader in evidence-based probiotics.

Together, these achievements form the foundation of our future growth platforms and underscore BioGaia's position as a global leader in evidence-based probiotics.

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Leadership and ownership

2025 was also a year of important transitions. We said goodbye to our beloved co-founder and Chairman, Peter Rothschild, and welcomed Mauricio Graber as our new Chairman and Anatom Holding, a Switzerland-based long-term investor, as our anchor shareholder. Mauricio's extensive experience and Anatom's deep understanding of the health and ingredients sector provide guidance and support as we continue to grow. As part of our normal governance process, a strategy review will take place in 2026.
We will also host a Capital Markets Day for investors in the second half of 2026, where we will present BioGaia's strategy, capabilities, and future growth opportunities.

Sustainability and recognition

We were proud to be recognized in 2025 as one of the top 500 global companies for sustainable growth in The Times Sustainability Index, recognizing our combined strong business performance with environmental responsibility. This achievement reflects our focus on biodiversity and sustainable practices, including the transition to bio-based plastics in our packaging. Sustainability is not just an obligation; it is part of our mission to promote health, for people and the planet, ensuring a thriving future for generations to come.

Looking ahead

BioGaia is well-positioned to continue building on our successes. We will continue to deepen our scientific foundation, focus on our core, expand our business through direct markets, and innovate with products that make a meaningful difference in people's lives. I am grateful for the dedication, creativity, and care of everyone at BioGaia and for the trust of our partners, healthcare professionals, consumers, shareholders, and investors. Together, we will continue to deliver science-backed probiotics that support health and well-being for generations to come and to deliver value for our customers and shareholders.



Theresa Agnew Koncernchef och VD BioGaia

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Investment in our shares

Investing in BioGaia means becoming a shareholder in a company with a strong, well-established position in a rapidly growing market. Since 1990, BioGaia has been a global pioneer in probiotics, creating value for consumers, partners, and shareholders. Since our initial public offering in 1998, we have consistently aimed to combine growth with stable profitability.

Our long-term financial target is to achieve an operating margin (operating profit in relation to sales) of at least 34 percent, while maintaining strong growth.

In addition to the current dividend policy of distributing 50 percent of the Group's profit after tax (adjusted for non-recurring items), BioGaia intends to pay additional dividends of 50–100 percent of profit after tax in the coming years, provided that future cash flows are in line with the company's forecasts.

The key factors that make BioGaia an attractive investment opportunity are summarized on the upcoming pages.

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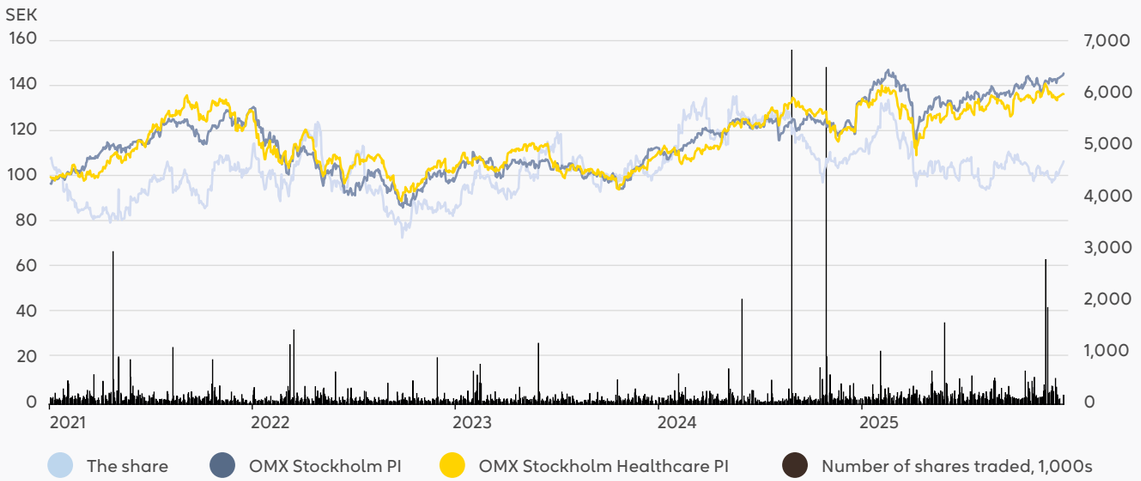
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Investment in our shares

BioGaia's share price development




Alexander Kotsinas
Executive Vice President and CFO

Expanding industry

The global market for probiotic supplements is expected to grow by 3–5 percent annually, depending on market estimates, through 2030, driven by an increased focus on health and preventive care. [1]

Leading market position

BioGaia is a global leader in probiotics for infants. We continue strengthening our position by expanding into new segments, improving formulations, and ensuring sustainable production.

Profitable growth

In 2025, BioGaia's revenue grew by eight percent, (corresponding to 14 percent in organic growth), with an average operating margin of 31 percent over the past five years, despite global uncertainty, geopolitical tensions, and high inflation. We remain focused on profitable growth through consumer-driven innovation and cost efficiency.

Strong brand

BioGaia has grown from a B2B company into a leading consumer probiotic brand known for high quality, reliability, and proven science, building long-term loyalty among partners, healthcare professionals, and consumers.

Innovative products

By investing around 10 percent of net sales in R&D, we strengthen our competitive advantage and continue to launch breakthrough products.

Sustainable solutions

BioGaia aims to lead the industry in sustainability, with multiple awards and certifications, HACCP food-safety approval, and packaging materials sourced from certified sustainable forestry. Our focus on responsible practices supports long-term growth.

Efficient business

A significant share of production takes place in-house in Eslöv, ensuring efficient, profitable manufacturing and delivery. We continuously optimize production, our product portfolio, and supply chains through Lean methods and increased automation.

1) Euromonitor, September 2025.

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Business model

BioGaia has two types of distribution – sales through distribution partners and direct sales through subsidiaries. Most of BioGaia's revenue comes from the sale of gut health products, including colic drops, as well as products for immune health and oral health.

Revenues also include the sale of bacterial cultures for use in licensee products, such as infant formula and dairy products, as well as royalties from the use of *L. reuteri* in licensee products. BioGaia's products are available in more than 100 countries through partnerships with nutrition and pharmaceutical companies, as well as through our own subsidiaries.

Vision

To be the most trusted probiotic brand in the world.

Mission

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

Positioning

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



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Value chain

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

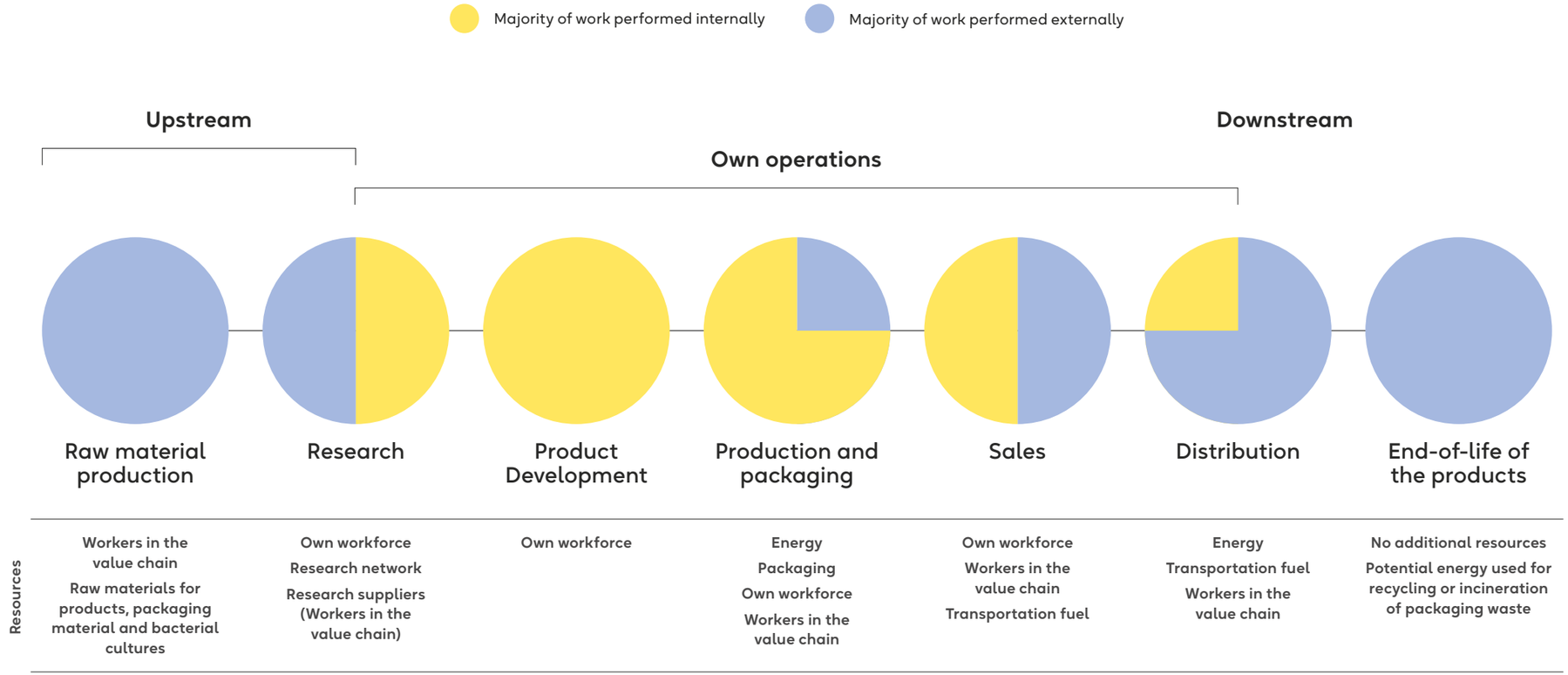


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Raw material production

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

Research

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

Product Development

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

Production and packaging

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

Sales

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

Distribution

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

End-of-life of the products

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

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

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Global trends

The global probiotics market has experienced robust growth in recent years, reflecting a shift in how consumers approach health. Probiotic dietary supplements alone reached approximately USD 10 billion[1] in retail sales in 2024, with steady growth expected in the coming years. BioGaia is uniquely positioned to leverage its scientific expertise, trusted product portfolio, and global presence to capture opportunities across multiple consumer and market trends.

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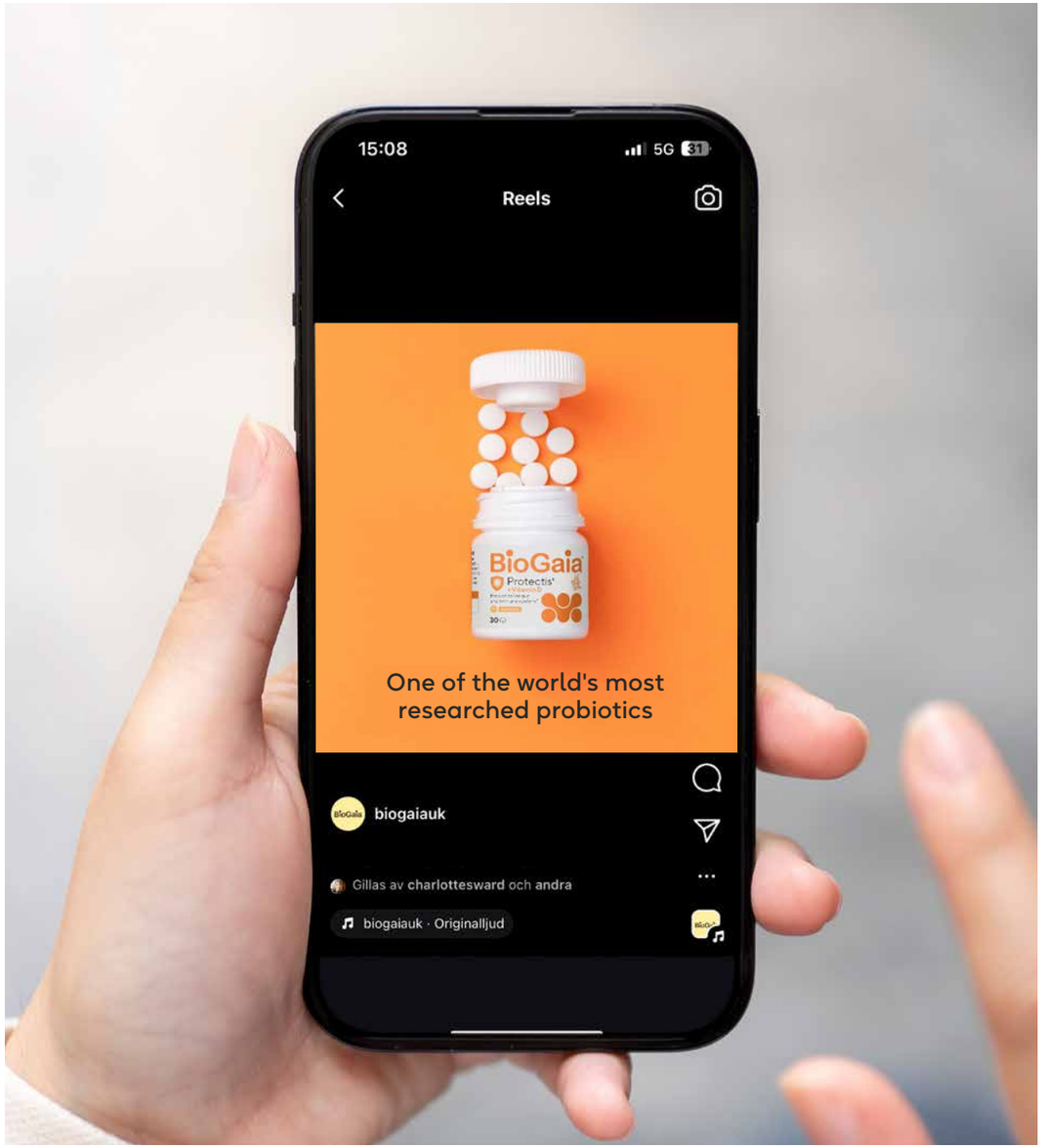
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Consumer awareness and demand for targeted solutions

Consumer awareness of the microbiome has nearly tripled in recent years, and consumers are increasingly seeking targeted, evidence-based solutions rather than following a "health at all costs" approach. They look for products that are scientifically validated, safe, and effective, with clear evidence of health benefits.

BioGaia's long-standing commitment to clinical research and validated probiotic strains allows the company to meet this demand. From infant colic to adult oral health, BioGaia's specialized products are already trusted by consumers and healthcare professionals, positioning the company to expand its leadership in specialized probiotic categories as microbiome awareness continues to grow.

At the same time, while awareness is rising, overall global consumer knowledge of probiotics remains limited, underscoring the continued need for education. This reinforces the importance for BioGaia of continued, science-based education. By actively engaging and educating healthcare professionals, partners, and consumers on the specific benefits and clinically documented effects of its probiotic strains, BioGaia aims to build long-term trust, enhance understanding, and support informed decision-making in an increasingly complex and evolving category.

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Ethical and environmental consumer priorities

Consumers are placing greater emphasis on ethically and sustainably produced products, including sustainable sourcing, recyclable or biobased packaging, and transparent production practices. BioGaia's commitment to sustainability, quality, and transparency, combined with continued innovation in eco-friendly packaging, reinforces brand trust and shows that effective probiotics can also be responsibly produced.

Expanding applications beyond traditional gut health

Probiotics are increasingly recognized for benefits beyond digestive support, including immune function, oral health, skin wellness, and mental well-being. Growing evidence and interest in the gut and brain connection are driving demand for targeted formulations that address specific health needs. BioGaia's strain-specific research and clinical validation provide a strong platform for expansion into areas such as mental health and skin wellness while building on its established portfolio in gut health, including infant colic, oral health, and immune health.

Antibiotic resistance

Antibiotic resistance is one of the most pressing global health challenges today. While antibiotics remain essential, their use can disrupt the natural balance of beneficial bacteria in the body.

Probiotics play a vital role in supporting a balanced microbiome, particularly during and after antibiotic treatment, helping individuals recover and maintain overall health. In a recently published study, BioGaia's probiotic strain, *L. reuteri* Protectis®, was shown to effectively prevent antibiotic-associated diarrhea in children. This reflects our commitment to supporting microbial balance and contributing to broader global health efforts.

Summary

These trends highlight BioGaia's strategic advantage. Growing microbiome awareness, broader probiotic applications, rising antibiotic resistance, and stronger ethical expectations all point to increasing demand for trusted, science-backed, and sustainable solutions. With its scientific credibility, clinically proven products, and global reach, BioGaia is well positioned to meet evolving consumer needs and capture growth across both established and emerging probiotic categories.

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Global leadership in probiotics



BioGaia is a global leader in probiotics, with products available worldwide. For more than 35 years, our research into beneficial bacteria and their health effects has been the foundation of our business. All of our products are grounded in extensive preclinical and clinical studies of the specific bacterial strains we use.

To date, BioGaia has conducted and published approximately 290 clinical studies, positioning us as one of the research driven companies in the probiotic industry. We offer scientifically proven, clinically tested products that support health and resilience from birth and throughout life.

Understanding consumer needs is central to our approach. Insights from market analyses, healthcare professionals, and consumer trends, combined with continued research into the capabilities, behaviors, and potential health benefits of our probiotic strains, guide our product development. This balanced approach helps us create solutions that meet expectations while contributing to better health outcomes.

BioGaia's product range

BioGaia offers a broad range of products targeting gut health, oral health, and immune health for both children and adults. Our portfolio also includes products for skin health in children and bone health for adults, alongside various country-specific formulations. Products are available in multiple convenient forms, including drops, chewable tablets, lozenges, capsules, and powders, making them easy to incorporate into everyday routines.

Our best-selling product, Protectis drops, contains the bacterial strain *L. reuteri* DSM 17938 and is recommended for the treatment of infant colic in six international clinical guidelines for healthcare professionals. The drops help relieve stomach discomfort in infants, reduce crying time, and improve the quality of life for both babies and their families.

Strategic ambitions

In children's health, BioGaia aims to strengthen its position by continuing to develop science-based products that support healthy growth from infancy through adolescence. In adult health, we focus on expanding our market presence and further reinforcing brand recognition.

BioGaia also holds a unique position in oral health, recognized globally for clinical studies on conditions such as gingivitis and periodontal disease. Our oral health products serve both children and adults, complementing and strengthening our broader gut and immune health offerings. Beyond these established areas, we are actively exploring the potential of probiotics in new applications, including for example metabolism and skin care, to expand the impact of our research into additional areas of human health.

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Product portfolio

BioGaia offers products within three focus health areas: **gut health, immune health and oral health**.

	GUT HEALTH	IMMUNE HEALTH	ORAL HEALTH
BABY & KIDS	 Protectis® BABY / Protectis® BABY Vitamin D / Protectis® ORS BABY Protectis® KIDS / Protectis® KIDS Vitamin D / Protectis® KIDS	 Protectis® IMMUNE ACTIVE BABY / Pharax® KIDS Protectis® IMMUNE ACTIVE KIDS	 Prodentis® KIDS
ADULTS	 Gastrus® / Gastrus® PURE ACTION Protectis® / Protectis® Vitamin D	 Protectis® IMMUNE ACTIVE	 Prodentis® / Prodentis® FRESH BREATH

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Product launch 2025

In 2025, BioGaia expanded its oral health portfolio with the launch of BioGaia Prodentis® FRESH BREATH, a microbiome- friendly dental probiotic designed to promote instant and long-lasting fresh breath while supporting healthy gums and teeth. This innovative product contains the strain combination *L. reuteri* Prodentis®, with zinc to neutralize odor-causing compounds and reinforce oral microbiome balance. Unlike conventional mouthwashes that eliminate both good and bad bacteria, Prodentis® FRESH BREATH works in harmony with the microbiome, offering a natural and science-backed solution for oral health. With the world's most studied oral probiotic at its core, this launch strengthens BioGaia's position as a global leader in evidence-based probiotics and responds to growing consumer demand for effective, microbiome-friendly oral care solutions.



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L. reuteri DSM 17938

What are probiotics?

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

According to the World Health Organization (WHO), probiotics are defined as "live microorganisms that, when administered in adequate amounts, confer a health benefit on the host." This means that probiotic bacteria should be alive and have a beneficial impact on health. To understand how probiotics work, it is important to recognize the balance between "good" and "bad" bacteria in the body. An imbalance in the microbiota can be caused by factors such as stress, poor diet, infections and antibiotic use, which can lead to harmful bacteria gaining the upper hand and causing infection or inflammation. Adding probiotics can help restore the balance. For more information on the criteria applicable to probiotics, see our sustainability report on page 108.

Strategic and balanced product pipeline

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

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



Bacterial strains in BioGaia's cold storage in Eslöv, Sweden.

Bacteria isolated from humans

Bacteria are present everywhere – especially on and within all living organisms. At BioGaia, we focus exclusively on developing probiotic products using bacteria isolated from humans. A patented bacterial strain in our product Protectis® was originally isolated from breast milk and has been shown to have a positive effect in the treatment of colic in infants. Another bacterial strain found in our probiotic product Prodentis® was originally isolated from a woman's saliva and has been shown to be effective in the treatment of gingivitis (inflammation of the gums) and periodontitis (loosening of the teeth).

In our research, we conduct microbiological experiments to ensure that our bacterial strains are both safe and effective. Our bacterial strains are stored at -80°C in a controlled bacterial bank and then used in freeze-dried form in our products. Upon contact with saliva and warmer temperatures, the bacteria become active and begin to exert their probiotic effect.

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Good or *bad* bacteria?

Bacteria have historically been classified as either "good" or "bad." While research has long focused on harmful bacteria, known as pathogens, it is now widely recognized that certain bacteria are beneficial to human health. Modern lifestyle and highly sanitized environments can negatively affect the gut microbiota, but probiotic bacteria can help support microbial balance, contributing to overall health and well-being.

Product quality, safety and sustainability

Much of BioGaia's research focuses on deepening the understanding of microorganisms while conducting clinical studies to examine the effects of our products on conditions such as infant colic and gingivitis. An equally critical aspect of product development is ensuring high quality, safety, and shelf life. What distinguishes BioGaia's products is that we guarantee they maintain their quality until the best-before date, typically with a shelf life of two years.

Our *L. reuteri* strains are among the most studied probiotic strains in the world, with approximately 290 clinical studies conducted and published as of December 2025. These studies have included over 25,000 individuals, the majority of whom are children, providing a robust scientific foundation for our products.

Understanding the gut microbiota

The majority of bacteria in the human body are found in the gut, forming the gut microbiota. Research shows that changes in the composition of the gut microbiota may be linked to various chronic diseases, although much remains to be discovered. BioGaia, together with its extensive research network, continuously contributes to advancing scientific knowledge of the gut microbiota and its impact on human health.

Patents and intellectual property

BioGaia holds more than 600 granted patents covering various probiotic strains. Among these, *L. reuteri* Protectis® is the most extensively studied, underscoring our commitment to scientific innovation, intellectual property protection and the development of clinically validated probiotic solutions.

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

- Colic and constipation in infants
- Immune modulation and infection prevention
- Acute diarrhea
- Antibiotic-associated side effects, such as diarrhea
- Treatment of *H. pylori* infections
- Irritable bowel syndrome (IBS)
- Oral health, such as gingivitis (inflammation of the gums) and periodontitis (loosening of the teeth)
- Osteopenia
- Autism spectrum disorder
- Urinary tract infections
- Inflammation, such as diverticulitis

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

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

- Swedish University of Agricultural Sciences, Uppsala, Sweden
- University of Gothenburg, Sweden
- University of Linköping, Sweden
- University of Stockholm, Sweden
- Örebro University, Sweden
- University of Copenhagen, Denmark
- University of Leuven, Belgium
- Hospital Vall d'Hebron, Barcelona, Spain
- University of Salento, Italy
- University Chieti, Italy
- Texas Children's Hospital, USA
- Baylor College of Medicine, Houston, USA
- National University of Singapore

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

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Strategic framework

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

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BioGaia's strategic framework

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

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

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

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

Three strategic pillars

Grow the core

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

Expansion through direct markets

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

Breakthrough innovation

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

Foundational enablers:

People & culture

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

Invest for profitable growth

Allocating resources efficiently to maximize returns and drive expansion.

Digital as an enabler

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

Driven by science

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

Sustainable solutions

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

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Grow the core

Focus on what we do best
During the year, we took significant steps to grow our core business by strengthening research, expanding our market presence, deepening consumer understanding, and advancing product development in gut, immune, and oral health.

BioGaia reinforced its scientific foundation with landmark studies on *L. reuteri* Protectis® and the introduction of *L. reuteri* BG-R46® for infant gut health. We launched new products, such as Prodentis® FRESH BREATH, continued the strong performance of Gastrus® PURE ACTION, and activated global marketing campaigns to raise awareness.

Through marketing initiatives like EvidenceBiotics® and LongevityGuard®, we further differentiated our portfolio, combining advanced research with consumer-focused innovation to strengthen trust in the BioGaia brand worldwide.

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Gianfranco Grompone - Chief Scientific Officer

Strengthening the clinical foundation

A prominent clinical study further strengthened the evidence behind one of our core strains, *L. reuteri* Protectis®, and its important role in pediatric gut health. The PEARL study, a multi-center, randomized, placebo-controlled trial published in the European Journal of Pediatrics, showed that *L. reuteri* Protectis® significantly reduces the incidence of antibiotic-associated diarrhea in children receiving antibiotics (amoxicillin and clavulanate), with the strongest effect seen in children with acute otitis media and after 21 days of use (Dinleyci EC., et al., European Journal of Pediatrics, 2025).

With 720 participants initially screened and 654 randomized, the study is a large trial conducted on *L. reuteri* Protectis® and provides robust evidence that our probiotic strain is a safe and effective supportive adjunct to antibiotic therapy in children.

It reinforces that *L. reuteri* Protectis® helps maintain gut homeostasis during broad-spectrum antibiotic treatment and supports everyday well-being.

These results further strengthen our leadership in evidence-based probiotics and support our strategy to grow the core by expanding indications and deepening the clinical foundation of our key strains.

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A new patented strain

The scientific rationale for our newly patented strain, *L. reuteri* BG-R46®, was published in Beneficial Microbes in 2025. Developed by BioGaia in collaboration with the Swedish University of Agricultural Sciences, *L. reuteri* BG-R46® is an evolved derivative of *L. reuteri* Protectis® with enhanced bile tolerance for improved survival in the infant gut. It also demonstrates increased production of adenosine, a molecule with well-known anti-inflammatory properties (Ermann Lundberg L., et al., Beneficial Microbes, 2025).

Comprehensive studies confirm that *L. reuteri* BG-R46® is safe, biologically distinct, and well-characterized. This next-generation strain is currently being tested in clinical studies. Early preclinical evidence indicates it may complement *L. reuteri* Protectis®, strengthening our core offering and advancing BioGaia's mission to deliver science-based, clinically validated probiotics at the strain level.

A preclinical study compared *L. reuteri* Protectis® with *L. reuteri* BG-R46® to examine their role in supporting early immune development. Both strains promoted the maturation of key intestinal immune cells and increased regulatory T cells, which help maintain immune balance. The study also revealed meaningful differences: *L. reuteri* Protectis® triggered early immune responses more rapidly, while *L. reuteri* BG-R46® showed stronger effects when combined with human milk oligosaccharides (HMOs). These insights provide a scientific rationale for combining the two strains in an HMO-rich environment, such as early infancy (Daniel RC., et al., Probiotics and Antimicrobial Proteins, 2025).



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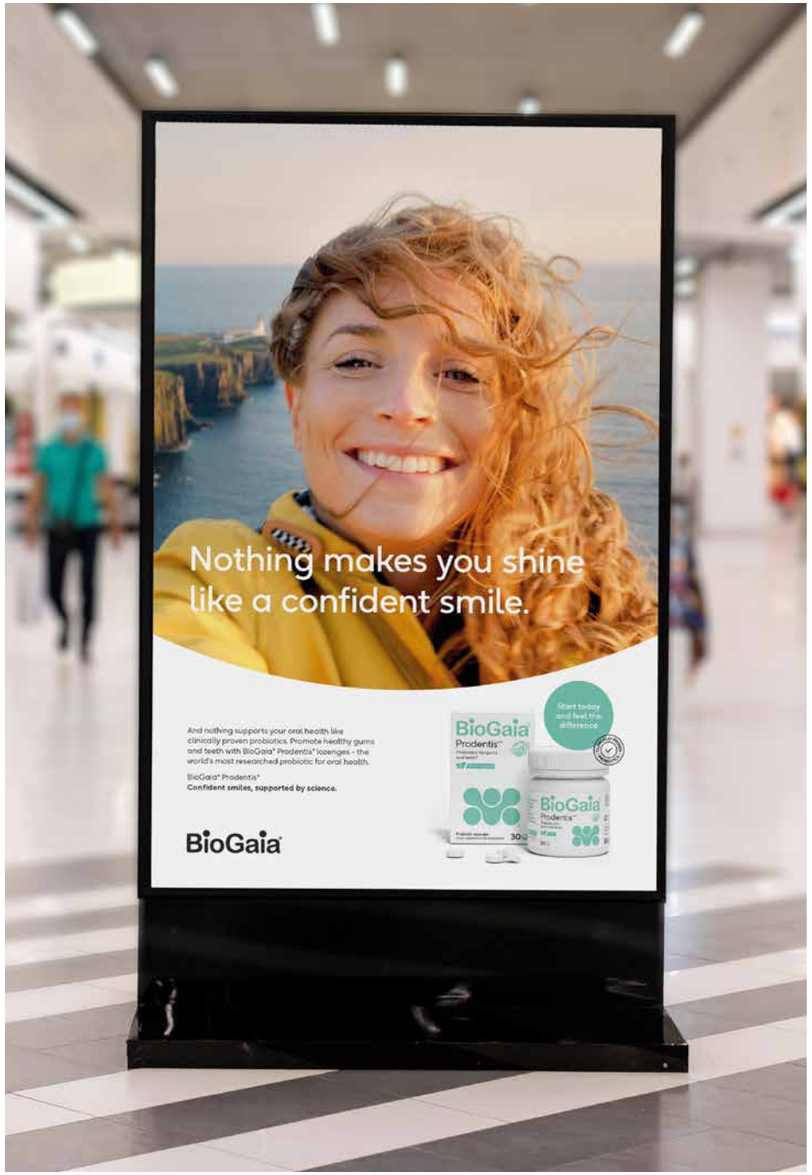
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A pioneer within probiotics for oral health

BioGaia continues to lead the field of probiotics for oral health, with over 70 clinical studies conducted in this area. In 2025, a randomized, double-blind, placebo-controlled trial further strengthened this evidence base in a new indication. The study evaluated the effect of the *L. reuteri* Prodentis® strain combination on wound healing after tooth extraction and patient-reported outcomes following surgical removal of fully impacted teeth (Cinquini C., et al., Oral Diseases, 2025).

A total of 128 patients received either lozenges containing the combination of the two strains of *L. reuteri* or placebo, starting seven days before surgery and continuing for two weeks afterward. The probiotic group showed significantly improved early wound healing and reduced trismus (restricted jaw opening) at multiple time points. Patients also reported less chewing impairment, fewer difficulties with oral hygiene, better oral-health–related quality of life, and reduced use of anti-inflammatory medication.

These findings reinforce BioGaia's pioneering position in oral health probiotics and highlight the potential of *L. reuteri* to support recovery and well-being following dental surgery.

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In 2025, we continued to strengthen our core business through global marketing initiatives, educational programs, medical congress participation, and targeted product launches targeting unmet consumer needs.

Linda Hägglund – Chief Marketing Officer

Consumer trends and microbiome awareness

We see clear trends of consumers shifting from a 'health at all costs' mindset to a more considered approach to health, seeking targeted products and effective, evidence-based solutions. Awareness of the microbiome has nearly tripled in recent years[1], highlighting the opportunity to offer products that are both scientifically validated and trusted by consumers. This represents a significant opportunity for us to further advance in the specialized probiotics category, providing targeted probiotic solutions designed to address specific health concerns.

1. FMCG Gurus. Trend Report. April 2025. The Biotics Boom. Trends and Opportunities in Prebiotics, Probiotics, Synbiotics, and Postbiotics

EvidenceBiotics® CLINICALLY PROVEN

Longevity Guard®
Protects the bacteria

EvidenceBiotics® and LongevityGuard®

As awareness of probiotics grows, consumers face increasing challenges navigating a crowded market and identifying probiotic products with proven efficacy. To reinforce our scientific leadership and clearly separate BioGaia from the rest, we launched Evidence-Biotics®, our classification of our BioGaia probiotics as clinically proven, premium probiotic solutions that meet the highest scientific and quality standards. Our products are developed using advanced manu-facturing technologies and rigorous quality controls to ensure safety, consistency, and reliable performance, helping healthcare professionals and consumers make informed choices in today's expanding probiotic market.

We also introduced LongevityGuard® as a symbol to communicate our long-standing patented technology, which ensures probiotic viability throughout a product's shelf life. This technology protects the bacteria from moisture and maintains their effectiveness from production to end use. By launching LongevityGuard® as a concept, we provide a clear, consumer- friendly way to demonstrate that BioGaia's liquid probiotics remain stable without refrigeration and deliver consistent, reliable performance in every dose.

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Product launches and campaigns

During the year, we launched Prodentis® FRESH BREATH, a probiotic designed to provide instant and long-lasting fresh breath while supporting healthy gums and teeth. We are already seeing strong interest from healthcare professionals, consumers, and partners. As a leader in scientifically documented oral health probiotics, we continually develop new educational materials and marketing assets to support both our partners and direct markets, aiming to further increase consumer awareness in this important health area.

Since its launch in 2024, our product Gastrus® PURE ACTION has had strong demand across both partner and direct markets, surpassing expectations and generating significant consumer interest. A reflection of the growing recognition of gut health as foundational to overall well-being and our increased focus on BioGaia's adult segment.

Our probiotic ointment, Aldermis®, was introduced to additional markets during the year and received a positive response.

In addition, we ran a consumer campaign in selected direct markets, promoting both Protectis® BABY Drops and Prodentis®. These digital-first initiatives were part of our broader branding strategy and contributed to increased awareness and consumer engagement.

Medical congresses and educational programs

To increase awareness and knowledge about probiotics, we hosted our first BioGaia Academy Expert Program in gastrointestinal health this year, an advanced educational course focusing on probiotics in adult gastrointestinal health. Healthcare professionals, primarily gastroenterologists, successfully completed the six-month program, expanding their knowledge and expertise. The program was co-developed and led by three renowned experts: Francisco Guarner, Professor of Gastroenterology from Spain; Magnus Simrén, Professor of Gastroenterology from Sweden; and BioGaia's Chief Scientific Officer, Gianfranco Grompone. Our goal is to cultivate a community of probiotic experts who share a passion for learning, sharing, and educating other healthcare professionals about probiotics.

Every year, we participate in selected global medical congresses that align with the focus of our product portfolio. This year, we attended ESPGHAN (European Society for Pediatric Gastroenterology, Hepatology and Nutrition), LASPGHAN (Latin American Society for Pediatric Gastroenterology, Hepatology and Nutrition), UEGW (United European Gastroenterology Week), and IADR (International Association for Dental Research). In addition we attend thousandas of local medical congresses occuring in each markets. These congresses provide opportunities to showcase new products, build relationships with healthcare professionals, and educate about probiotics while strengthening brand awareness. Our booths attract many visitors, and we continue to establish BioGaia as a trusted brand.



BioGaia participated at the medical congress, ESPGHAN – The European Society for Paediatric Gastroenterology Hepatology and Nutrition.

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Ludvig Milesson – Chief Operating Officer



BioGaia's production line in Eslöv

We continue to strengthen our product quality with sustainable solutions

We continued to make significant progress in the product supply area, further strengthening quality, reliability, and sustainability. Our HACCP-certified processes maintained high food safety standards, while service performance, measured by On Time In Full (OTIF), improved, reflecting our commitment to reliable and timely deliveries for our partners.

To enhance supply chain security, we expanded dual-source blister packing by adding a second production site, further improving production resilience and reliability. In line with our sustainability goals, all paper-based packaging materials are certified from responsibly managed forests or made from verified recycled materials.

These advancements continue to demonstrate our dedication to excellence in product supply, reinforcing our focus on meeting the expectations of both partners and consumers.

Read more about our value chain on page 25 and sustainable packaging on page 84.

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Expansion through direct markets

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

In recent years, we have successfully established direct distribution in key markets, giving us full operational control and a stronger market presence. This approach has allowed us to take greater ownership of the BioGaia brand and the overall consumer experience. By engaging directly with consumers and retailers, we gain real-time insights into product performance, positioning, and communication, enabling us to build a cohesive global brand while responding quickly to local market dynamics.

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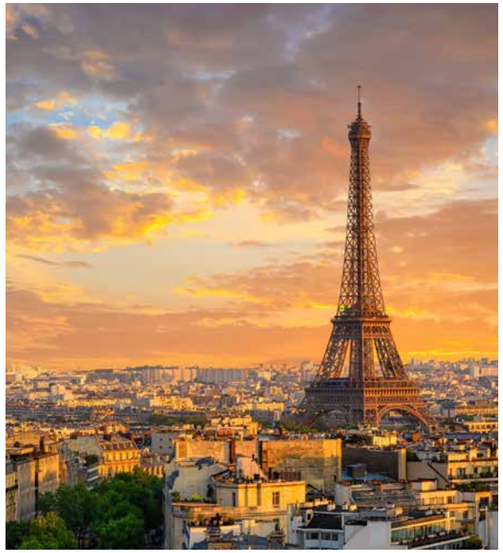
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Ulf Björkdahl – Chief Commercial Officer

New Chief Commercial Officer joins the leadership team

In January 2026, Ulf Björkdahl joined BioGaia as Chief Commercial Officer, strengthening our commercial leadership. His extensive global experience in consumer healthcare, multi-channel commerce, and international expansion will further support our distribution partners and accelerate growth across our direct markets.



Two new direct markets

During the year, we took several important steps to expand our direct presence in Europe. In France, we initiated direct distribution by ending our distributor agreement and establishing our own subsidiary. France was selected as a priority market due to its strong potential for probiotics. Currently, nearly half of the population has consumed probiotics within the past 24 months, and growing health consciousness among French consumers is increasing recognition of the benefits of high-quality, scientifically validated probiotics for digestion and immunity. The Netherlands is an important market where BioGaia products had previously not been sold through our own direct channels or a distribution partner. With strong consumer interest in probiotics and a digitally mature market, we entered the Netherlands using a digital-first approach, making our products available on major online marketplaces such as Bol.com and Amazon.nl. This enables us to efficiently test and grow demand, gain local market insights, and bring clinically proven probiotics closer to consumers.



In early 2026, we further strengthen our footprint by establishing direct distribution in Germany and Austria through a new subsidiary operating under the brand name BiGaia, in line with local market conditions. Germany is one of Europe's largest probiotic supplement markets, with strong growth potential, and Austria offers similar opportunities. This transition includes ending our collaboration with the previous pediatric distributor and expanding the portfolio to include both pediatric and adult products

These strategic steps support our long-term objective of deepening market insights, increasing brand visibility, and building closer relationships with both consumers and healthcare professionals.

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Breakthrough innovation

We continued to push the boundaries of scientific research, achieving significant advancements in breakthrough innovation. Our commitment to developing disruptive, science-driven innovations is focused on creating new market opportunities and transforming the health landscape. Our research continues to generate valuable insights, with numerous studies yielding positive results. Each success strengthens our understanding of human health and fuels our ongoing journey to drive progress and innovation.

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The gut-brain axis...



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



Exploring the role of gut bacteria in the gut-microbiome-brain axis

BioGaia continues to explore the complex relationship between the gut microbiome and overall health, focusing, among other topics, on the gut-microbiome-brain interaction. In collaboration with the University of Gothenburg, at the Wallenberg Laboratory, directed by Professor Fredrik Bäckhed, we have identified that a combination of two patented lactobacilli strains present in the gut of healthy individuals can produce bioactive serotonin, a key signaling molecule in the gut-microbiome-brain axis. While serotonin is widely known as a neurotransmitter in the brain, more than 90 percent of the body's serotonin is produced in the intestine by specific human cells, where it regulates gut function and motility and communicates with the central nervous system.

The study, published in Cell Reports (Moretti C., et al., Cell Reports, 2025), identified two bacterial strains, *Limosilactobacillus mucosae* and *Ligilactobacillus ruminis*, capable of increasing intestinal serotonin levels, enhancing colon innervation, and normalizing gut transit in models of serotonin deficiency. Notably, individuals with irritable bowel syndrome (IBS) were found to have lower levels of *L. mucosae*, highlighting a potential link between specific gut bacteria, serotonin production, intestinal motility and brain-related health outcomes.

This discovery, published in one of the most prestigious biomedical journals, advances our understanding of the gut-microbiome-brain axis and opens new avenues for developing innovative probiotic products targeting both gut and mental health. It reinforces BioGaia's position as a scientific leader in evidence-based probiotics.

BioGaia continues to explore new areas and product formats, with a strong focus on innovation, as cross-functional teams collaborate to develop strategic concepts and novel probiotic applications. Two health areas which we see as extra exciting to explore are metabolic health and brain health. These initiatives reflect our commitment to discovering new ways to leverage probiotics to improve health outcomes, supporting BioGaia's long-term growth and scientific leadership.

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BioGaia expands its direct market presence

For more than 35 years, BioGaia has successfully built a global presence in more than 100 countries. We have established both direct distribution and long-term collaborations with distribution partners.

During 2025, BioGaia continued to expand our direct distribution. By the end of the year, we had direct distribution in ten markets, including France and the Netherlands, which were added during the year. To further accelerate the international expansion, we established distribution in Germany and Austria in early 2026, two strategically important markets with strong demand for science-based, evidence-backed probiotic solutions.

Across our direct markets, performance remained strong and is outpacing our partners' markets in terms of growth. In the USA, strong growth continued in the baby and oral health categories, supported by broader retail distribution, brand building, and increased engagement with healthcare professionals. Australia and New Zealand grew rapidly, driven by an expanded product portfolio and increased visibility across retail and digital channels. Finland further strengthened its leadership in baby drops, while continuing to grow its adult gut-health segment. In Canada, BioGaia strengthened its leadership in pediatric probiotics, supported by nationwide HCP education initiatives and continued to grow demand for Prodentis® as well as the immune and gut health portfolio.

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USA



Jennifer Cherry – Managing Director USA

During 2025, BioGaia USA continued to strengthen its market position, with growth across baby, oral health and adult gut health categories - areas where interest in clinically supported probiotics remains strong. In pediatrics, BioGaia Protectis® Baby Drops grew substantially, supported by broader retail distribution, marketing initiatives, and ongoing engagement with healthcare professionals. Also, the demand for Prodentis® increased significantly.

The year also brought further progress in retail availability. BioGaia Protectis® Baby Drops launched in more than 1,000 Walmart stores nationwide, extending our reach through the world's largest retailer, while distribution at Target continued to expand. In oral health, BioGaia Prodentis® became available in over 6,700 CVS stores, the largest pharmacy chain in the US, marking an important step in strengthening our position within the category. Prodentis also received the claim of being the #1 dental hygienist-recommended oral health probiotic brand in the United States, further establishing BioGaia as a trusted leader in the professional dental community.

Healthcare professional engagement remained a central part of BioGaia USA's efforts in 2025. Through nationwide sampling programs, BioGaia reached thousands of pediatric and dental offices, supporting product familiarity and clinical use. During the year, we established new contacts with key opinion leaders in dental care and participated in hundreds of presentations at various industry events. In addition, we have participated in several conferences and lunch seminars, which has contributed to a broad and continuous presence within the health and care professions. This has played an important role in supporting the growing demand for Prodentis® and Protectis® BABY.

On the consumer side, BioGaia strengthened its digital presence through Amazon marketing, paid social and influencer campaigns, and emerging social commerce initiatives, including testing TikTok Shop with Prodentis® FRESH BREATH. The launch of Gastrus® PURE ACTION capsules on Amazon was met with positive consumer response, adding momentum to the adult gut health portfolio.

BioGaia USA will continue to build on this progress by deepening its presence in the baby and oral health categories, expanding professional recommendations, and developing retail and digital partnerships. These efforts form a solid foundation for continued growth in the US market.

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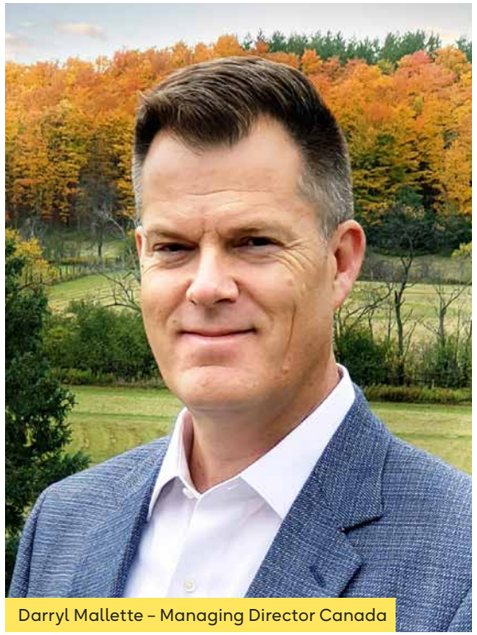
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Canada



Darryl Mallette – Managing Director Canada

In 2025, BioGaia Canada continued to strengthen its position in the market through an expanded focus on digital marketing, conference participation, and enhanced support for consumers and healthcare professionals. Growth was driven by the Prodentis® range and by the Immune and Gut Health portfolio, while Protectis® Baby Drops remained the top-selling product across both e-commerce and retail channels.

BioGaia Canada's Amazon business remained a key driver of omnichannel performance, consistently reaching new sales benchmarks. The company also maintained its strong reputation among healthcare providers and parents. In 2025, BioGaia was once again recognized as the #1 recommended over-the-counter pediatric probiotic brand by physicians and pharmacists, according to EnsembleIQ, and for the first time was named the #1 trusted baby probiotic by Canadians through the BrandSpark Most Trusted Awards.

Healthcare professional engagement continued to be a key priority for BioGaia Canada in 2025. Through coordinated sampling initiatives, the team provided thousands of healthcare professionals, including dental offices, with product and educational materials, supporting informed discussions on gut, immune, and oral health. Interest in Prodentis® within the dental community increased markedly, reflected in higher demand for virtual learning sessions facilitated by Registered Dental Hygienist partners, alongside strong engagement at both national and regional dental conferences. These combined activities resulted in thousands of dental clinics requesting additional samples and educational materials. Beyond the dental sector, participation in multiple medical conferences, congresses, and major consumer health events enabled direct interaction with clinicians across a broad range of specialties.

The Immune and Gut Health portfolio delivered strong double-digit growth following the rebranding of the vitamin D range in late 2024. A renewed commercial strategy, which included digital campaigns, expanded pharmacy outreach and an increased focus on chewable products with vitamin D, supported performance across channels. In addition, the launch of the FODMAP-friendly Gastrus® PURE ACTION capsules, certified by the Canadian Digestive Health Foundation for all claims approved by Health Canada, significantly expanded BioGaia's offering in the adult gut health segment.

Looking ahead to 2026, BioGaia Canada will continue to invest in Gastrus® PURE ACTION and advance its gut, immune, and oral health portfolios through expanded partnerships, strengthened retail distribution, and continued engagement with healthcare professionals and consumers.

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UK



Steven Hicks – Managing Director UK & Ireland

2025 was a year of continued expansion for BioGaia UK & Ireland, characterised by strong retail momentum, an expanded product portfolio, and deeper engagement with both healthcare professionals and consumers. Three new products were introduced during the year, including BioGaia Aldermis® probiotic ointment, Prodentis® BABY drops and Gastrus® PURE ACTION capsules, strengthening BioGaia's presence across key categories.

BioGaia's partnership with Boots continued to develop, supported by strong sell-out performance across existing listings. Discussions are underway to broaden distribution further and to introduce new products in 2026. Distribution was also reinforced through a dedicated team supporting independent pharmacies, ensuring broader availability and increased visibility across the channel. Digital retail remained an important growth driver, with Amazon performing strongly and continuing to serve as an effective route for new product introductions.

Engagement with healthcare professionals remained central to BioGaia's strategy. New professional education modules on gastrointestinal health and probiotic skin care were introduced to complement existing training on colic and oral health, while an on-demand webinar on infant health reached a large audience of healthcare professionals shortly after launch. We participated in major professional events during the year, including The Primary Care Show and The Royal College of Midwives Conference, as well as additional pharmacy, dental, and maternity-focused events. Dental engagement was further strengthened through lunch-and-learn sessions focused on Prodentis®.

BioGaia also broadened its consumer-facing activities through digital campaigns, influencer collaborations, and targeted advertising across leading parenting platforms. Participation in national Baby Shows and Baby & Toddler events enabled meaningful engagement with parents and families across the country. Brand visibility increased through extensive PR coverage and multiple industry and consumer awards, reinforcing BioGaia's position as a trusted brand in the UK.

In Ireland, BioGaia's distributor delivered strong results, securing new listings across retail chains and wholesalers and launching new products aligned with the UK portfolio.

As BioGaia UK looks towards 2026, we expect continued growth supported by broader distribution within major retail accounts, strengthened professional engagement, and the introduction of additional new products to the UK and Irish markets.

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France



Valerie Ansart – Managing Director BioGaia France

2025 marked a year of establishment and expansion for BioGaia France, following the transition to direct distribution and the development of a stronger presence within the pharmacy and healthcare professional sectors. In April, BioGaia assumed its own commercial operations in France, previously managed by an external distributor, covering the full Protectis® range as well as the Gastrus® and Prodentis® portfolios.

To support nationwide coverage, BioGaia France entered a partnership with GSA Healthcare, one of the country's leading external sales force providers visiting thousands of pharmacies. In parallel, recognizing the importance of pediatric recommendations for baby drops, the company partnered with Mead Johnson's medical detailing team, reaching thousands of pediatricians. These collaborations significantly expanded BioGaia's reach in both the pharmacy channel and among healthcare professionals.

By mid-year, BioGaia products were available in broader distribution. This expansion was supported by educational initiatives for pharmacy staff and enhanced in-store visibility through merchandising and point-of-sale materials. Engagement with pediatricians centred on clinical evidence for colic and other digestive indications, while communication on chewable formats aimed to extend recommendations from infants to older children. Digital activities included the launch of the BioGaia France website and an expanded presence across social media and consumer platforms.

BioGaia France also increased its participation in key healthcare events, including one of the country's major pediatric congresses, the Société Française de Pédiatrie, with more than 2,500 attendees. These combined efforts supported growth in the baby digestive disorders category, where BioGaia holds a leading market position.

Entering 2026, BioGaia France plans to deepen engagement with both healthcare professionals and consumers. New partnerships with prominent parenting and family platforms will further raise awareness of BioGaia products among parents, while strengthened collaboration with pharmacists will remain a priority. The company also expects to participate in several professional congresses targeting pediatricians, midwives, gastroenterologists, and dental professionals - supporting continued expansion across baby, gut, and oral health categories in the French market.

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Ingrid Messerer – Sales Manager Northern Europe



Sweden

BioGaia Sweden continued to strengthen its market position during 2025, achieving solid growth and ensuring that our probiotic products are accessible across the channels where consumers prefer to purchase their supplements. By expanding our presence across pharmacies and key online retail platforms, we have made it easier for consumers to choose BioGaia as part of their daily health routines.

Throughout the year, we reinforced collaborations with our Swedish retail partners, particularly in the pharmacy and online pharmacy segments. In line with this, we invested in visibility-driving campaigns, including newsletters, banners, and category-focused activities together with leading online pharmacies. These efforts contributed to increased brand presence and supported stable growth across our core product lines.

A major highlight of 2025 was the successful launch of two new products. Gastrus® PURE ACTION, a FODMAP-friendly certified supplement featuring the patented probiotic strains *L. reuteri* Gastrus®, broadened our gut health offering. Additionally, we introduced BioGaia Aldermis®, our first probiotic ointment developed for dry and sensitive skin in infants and children, marking an important expansion into the topical probiotics category.

Demand for several of our established products continued to rise. Protectis® chewable tablets with vitamin D and Gastrus® chewables remained strong performers, while interest in Prodentis® increased throughout the year, reflecting growing consumer awareness of oral probiotic solutions.

Looking ahead, BioGaia Sweden is preparing for an exciting 2026, with further product launches planned, including line extensions and entirely new innovations. Strengthening partnerships with retailers will remain a key priority, supporting our ambition to make BioGaia the top choice for probiotics among Swedish consumers. With a clear focus on innovation, collaboration, and scientific credibility, we will continue to deliver high-quality probiotic solutions for all life stages.

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Finland



Minna Tähtinen – Managing Director Finland

2025 marked another year of solid progress for BioGaia Finland, reinforcing its leadership in the baby drops segment. According to IQVIA sell-out data, BioGaia holds a clear leading position in probiotic baby drops and ranks second in the wider digestive health probiotics category. BioGaia remains the fastest-growing probiotic brand in Finnish pharmacies, supported by gains in the adult segment through new product launches, consumer marketing, and continued professional education.

The year saw strong development for the Gastrus brand. Following the late-2024 introduction of Gastrus® PURE ACTION capsules, sales of the entire Gastrus® range more than doubled. Nationwide TV and digital campaigns increased visibility and supported growth across both capsules and chewable tablets. Gastrus® is now BioGaia's second-largest product and an important driver of the adult probiotics category.

BioGaia's position in baby probiotics also remained strong. Protectis® BABY Drops and Protectis® BABY Drops with vitamin D continue to lead the category in pharmacies. Their position was further strengthened by updated guidance from the Finnish Food Authority, which requires products for children under three to be free from additives. With Longevity Guard technology that protects the life of the active bacteria, BioGaia is one of the few brands able to offer additive-free drops.

BioGaia's drops were also selected as the only probiotic drops to be included in the national maternity hospital assortment for 2026–2027. Consumer marketing focused on digital channels, social media and influencer collaborations, supported by ongoing education for maternity clinics and midwives.

In October, BioGaia launched Aldermis® probiotic ointment in pharmacies and online. The product was quickly listed across independent pharmacies, retail chains, and e-commerce retailers, supported by positive early consumer feedback.

BioGaia Finland is well positioned as it enters 2026. The focus will remain on consumer advertising and pharmacy campaigns for the Gastrus® brand and the BioGaia Baby® range, as well as continued launch activities for Aldermis®. We will also continue to strengthen relationships with key opinion leaders and participate in conferences targeting gastroenterologists, pediatricians, pharmacy professionals, and dental professionals. Additional product launches, including the expansion of the Prodentis® range and the introduction of new BioGaia products, will further drive growth in Finland.

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Johannes Asplund – Sales Manager Netherlands



Netherlands

In 2025, BioGaia entered the Dutch market with a digital-first strategy, marking an important milestone in BioGaia's long-term ambition to expand direct sales across Europe. The Netherlands, one of the last major European markets where BioGaia previously lacked its own direct presence, was identified as a natural next step given the country's strong potential and growing consumer interest in clinically proven probiotics. By launching on the leading local marketplaces Bol.com and Amazon.nl, BioGaia secured immediate nationwide availability and brought its products closer to Dutch consumers from day one.

The launch was executed efficiently without the need for a local warehouse or full-time employees, and relying on digital channels. The streamlined approach enabled rapid market entry and provided valuable insights into the Dutch consumer behavior, regulatory requirements, and logistics dynamics. These learnings now form an important foundation for BioGaia's next phase of development.

The success of our digital-first strategy in the Netherlands gives BioGaia increased confidence as we prepare for future growth. With a strong initial foothold established, the company is well-positioned to expand its presence through local product adaptation, enhanced distribution, and broader marketing initiatives.

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Japan



Keitaro Nomura – Managing Director Japan

In 2025, BioGaia Japan continued to strengthen its market presence by expanding consumer reach, enhancing its e-commerce offering, and deepening engagement with families and healthcare professionals. Pop-up stores remained an important platform for PR and community outreach, with collaborations involving midwives and local maternal and child health organizations helping to raise awareness of BioGaia's probiotics in everyday settings.

E-commerce delivered strong growth, supported by improvements in customer service, enhanced subscription programs, and renewed brand pages across Amazon, Rakuten, and Qoo10. Targeted digital campaigns, optimization efforts, and new activity on social media channels, including TikTok, contributed to increasing visibility and attracting both new and returning customers.

The dental segment continued to be an important area for professional engagement. Throughout the year, BioGaia Japan participated in multiple national dental conferences, retail events, and educational seminars for dentists, dental hygienists and mothers. BioGaia Academy remained a key platform for training, contributing to broader awareness of probiotic therapy and its applications in both oral and general health. These activities strengthened BioGaia's presence within the professional community and supported greater understanding of the company's science and product portfolio.

In addition, BioGaia Japan introduced several brand-strengthening activities such as BioGaia TALKS in Hiroshima, further increasing public visibility and consumer engagement.

Looking ahead, BioGaia Japan will focus on expanding its pediatric initiatives in collaboration with specialized teams and universities, broadening its e-commerce product offering, and exploring exclusive products for drugstores to enhance visibility and ensure stable supply. With this year's developments creating new momentum, BioGaia Japan enters 2026 with a solid platform for continued growth.

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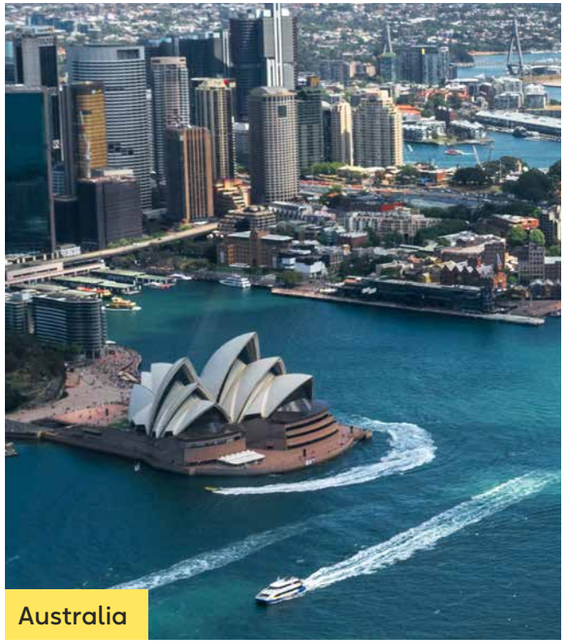
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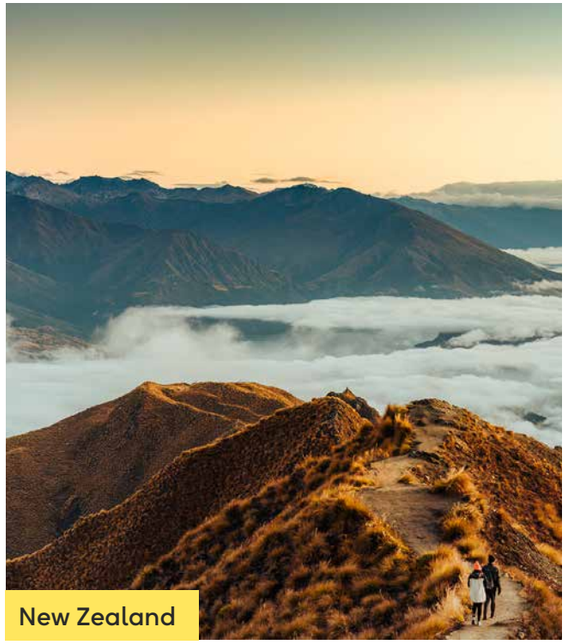
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Australia



New Zealand



Ben Wright – Managing Director BioGaia Australia & New Zealand

During 2025, BioGaia continued to develop its presence in Australia and New Zealand, following the establishment of these direct markets in the Asia-Pacific region the previous year. Building on this foundation, BioGaia broadened its product offering, strengthened distribution, and deepened engagement with healthcare professionals and consumers across both countries.

A key milestone during the year was the launch of eight new products across pediatrics, oral health, and adult gut health. This expanded portfolio enabled BioGaia to serve a wider consumer base and increase its presence across pharmacy and grocery channels, establishing a stronger platform for long-term growth.

Consumer marketing advanced significantly. BioGaia launched its first above-the-line campaign in Australia to support Protectis® BABY Drops, using a mix of social media such as Meta and TikTok, digital video including catch-up TV, and leading parenting sites. The campaign enhanced visibility among new and expectant parents and contributed to stronger brand recognition. It also supported continued growth in the colic category, helping strengthen BioGaia's position within this important segment. Partnerships with parenting communities complemented ongoing PR and educational initiatives.

Professional engagement remained central to BioGaia's strategy. The team participated in major medical, dental, and pharmacy conferences in both countries, enabling direct interaction with general practitioners, pharmacists, dentists, midwives, and other healthcare stakeholders. These activities were supported by targeted sampling programs and accredited training modules designed to reinforce evidence-based recommendations across pediatric, oral, and gut health. Participation in regional consumer events, including major parenting and baby expos, further increased visibility.

BioGaia also strengthened its omnichannel presence by expanding e-commerce offerings and supporting distribution growth across national pharmacy chains and independent stores. Growing consumer interest, combined with a broader product range and enhanced marketing, contributed to rising brand awareness and improved market penetration.

In 2026, BioGaia will focus on expanding distribution, strengthening digital and professional education initiatives, and broadening its product portfolio in line with regional needs. With deeper engagement across retail and health-care channels and increasing consumer awareness, the company is well placed to further develop its position in Australia and New Zealand.

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Words from the Sustainability Director

BioGaia's sustainability work has always been rooted in our heritage and essence: the belief that science, care for people, and respect for the planet must go hand in hand. That original idea still guides us today, shaping how we grow as a company and how we take responsibility for our impact on consumers, business partners, and the planet.

Jelena Jovanovic – Sustainability Director

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BioGaia's name is inspired by the Gaia hypothesis, which describes the planet as an interconnected living system and reflects the essence of our view on the link between human health and the well-being of the planet. In 2025, we continued to integrate sustainability across our three areas: Healthy Planet, Healthy People, and Healthy Business. Sustainable solutions remain a fundamental part of BioGaia's strategic framework, influencing decisions in product development, operations, procurement, and governance. To further anchor this work in internationally recognized principles, BioGaia has committed to becoming a signatory to the United Nations Global Compact, aligning our sustainability efforts with its Ten Principles on human rights, labor, environment, and anti-corruption.

Our long-standing climate work was acknowledged externally through our inclusion on TIME and Statista's global list of companies combining strong growth with environmental stewardship, and by Sustainalytics naming BioGaia a Low Carbon Leader. BioGaia also received an AA rating from MSCI for the second consecutive year. Together, these recognitions reflect our systematic efforts to lower emissions, grow responsibly, and strengthen transparency in our climate reporting.

Advancing environmental responsibility across our value chain

Within *Healthy Planet*, we strengthened the environmental foundations of our operations through the update of our Environmental and Climate Policy, which reflects BioGaia's evolving ambitions and a reinforced commitment to managing our environmental impact across the value chain. The 2025 review of our double materiality assessment confirmed that the material topics identified in 2024 remain relevant, and we added microbial biodiversity as a new material topic to reflect its growing importance for both human and planetary health, and its connection to our scientific foundation in supporting the human microbiome.

As the regulatory landscape continues to evolve, including forthcoming requirements under the Packaging and Packaging Waste Regulation (PPWR), we are actively preparing for compliance while also leveraging this transition to drive innovation in packaging design and material choices, working to find packaging and sourcing solutions that meet these higher standards without compromising product quality or performance. To support this work, we carried out additional recyclability tests to assess how potential packaging changes may improve overall recyclability performance. We also advanced our sustainability work with product packaging: all product containers filled at BioGaia Production now use 100 percent ISCC-certified mass-balanced plastic[1], and we maintained the use of 100 percent certified paper from responsibly managed forests for our secondary packaging, transport packaging, and product leaflets. We further progressed our palm oil phase-out; formulations without palm oil in the ingredient list are available for all our products, and we continued supporting all markets in their ongoing transitions to these formulations.

Building trust through responsible business

Within *Healthy People*, our focus on food safety remained strong. BioGaia AB successfully achieved HACCP recertification with zero deviations, a result that reflects the diligent and systematic work of our cross-functional Food Safety Team. We also continued to nurture an inclusive and engaging workplace, with strong results in our employee survey, and we were again included on AllBright's Green list recognizing sustained gender-balance in leadership and our continued commitment to inclusive governance.

Within *Healthy Business*, we continued to foster a culture built on integrity, inclusion, and accountability. We strengthened our governance foundation by launching a new and enhanced Code of Conduct, reflecting BioGaia's values of passion, innovation, and collaboration, and setting clear expectations for responsible conduct and accountability. Our third-party due diligence processes and compliance work advanced further in line with our risk landscape, helping protect our license to operate in more than 100 markets and supporting the trust that stakeholders place in BioGaia.

1) Container and lid excluding sticker and desiccant. The transition took effect from March 24, 2025. Mass balance is a chain-of-custody approach that allows for the tracking of certified raw materials throughout the production process. It ensures that certified and non-certified materials are mixed in a controlled way while maintaining a verifiable record of the sourced certified input.

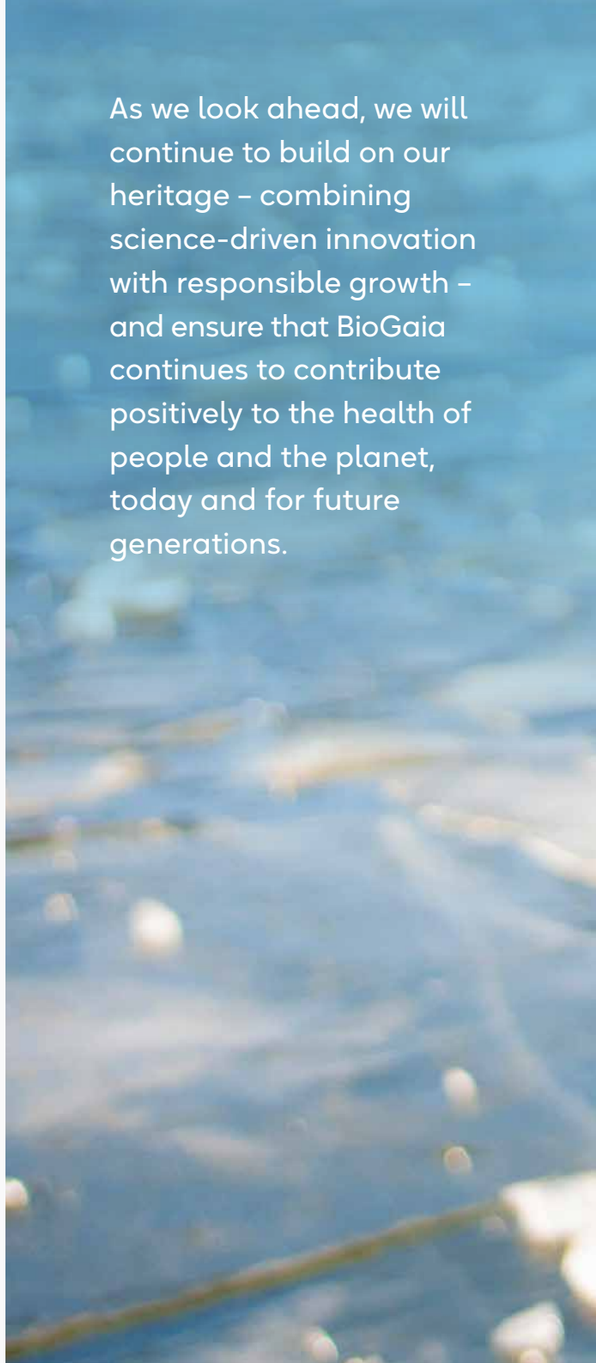


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General disclosures

BioGaia reports sustainability information annually, covering the period 1 January to 31 December 2025. The report is prepared in accordance with the GRI Standards (2021), applying the comprehensive option, and is aligned with relevant modules of the VSME Comprehensive Standard (C1–C9). Sustainability data is consolidated using the same principles as the financial statements and includes BioGaia AB and all subsidiaries under its control, unless otherwise stated.

BioGaia AB is a Swedish public limited company headquartered in Stockholm, with operations in multiple regions. Products sold by BioGaia USA that are not developed by BioGaia are excluded from sustainability KPIs.

The sustainability report has been subject to the auditor's statement in accordance with FAR's recommendation RevR 12 and has not been subject to limited assurance by a third party. Any restatements of information are listed in the GRI/VSME Content Index, which may reference sections across the full Annual Report as part of BioGaia's integrated reporting structure.

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Sustainability governance

BioGaia's Board of Directors holds ultimate responsibility for our sustainability agenda, ensuring alignment with our overall business strategy and compliance with relevant regulations. The Board has strong knowledge of sustainability issues and includes members with relevant expertise in this area. At least one Board meeting annually includes a sustainability deep-dive, and sustainability matters are also addressed as part of the annual strategy review and whenever relevant during other Board meetings. The Audit Committee oversees the sustainability reporting process alongside financial reporting. The Chief Executive Officer provides regular updates to the Board on progress, risks and key sustainability initiatives.

BioGaia's Sustainability Committee is responsible for driving our sustainability agenda and ensuring that strategic objectives are translated into operational action. In addition to regulatory preparedness, the Committee also focuses on sustainability-driven innovation by identifying opportunities where science, product development, and corporate responsibility intersect. The Committee is chaired jointly by the Sustainability Director and the Chief Legal Officer and includes representatives from Finance, Quality, Regulatory Affairs, HR, Communications, Procurement, Operations, the Chief Financial Officer, the Chief Executive Officer and one Board member. The Committee aims to meet quarterly to review and monitor progress against goals, regulatory developments and emerging risks and opportunities, and areas where sustainability can accelerate innovation and value creation.

In 2025, our Sustainability Committee prioritized preparing for new regulatory frameworks, including the Packaging and Packaging Waste Regulation (PPWR) and the EU Deforestation Regulation (EUDR), and assessing their implications for our packaging, product portfolio and supplier base. This work included evaluating potential packaging changes and assessing new suppliers and materials. The Committee also reviewed our sustainability goals and developed the analysis and proposal for adding a new material topic on microbial biodiversity, reflecting our scientific foundation and relevance to our core product offering and value creation. The new topic was subsequently approved by the Board. The Committee additionally supported a strategic realignment to GRI reporting, aligned with the VSME Comprehensive Standard, following the EU Omnibus developments, while retaining the internal governance structures, data foundations and methodological work established during the prior ESRS transition.

Sustainability objectives form an integrated part of our strategic and operational plans. Several members of the Executive Team and key employees have variable remuneration linked to sustainability targets, and the long-term incentive (LTI) program also includes a sustainability performance target.

Further details about BioGaia's governance structure and responsibilities are presented in the Corporate Governance Report. Through this integrated governance framework, we aim to ensure transparency, accountability and long-term value creation for all our stakeholders.

Sustainability Committee

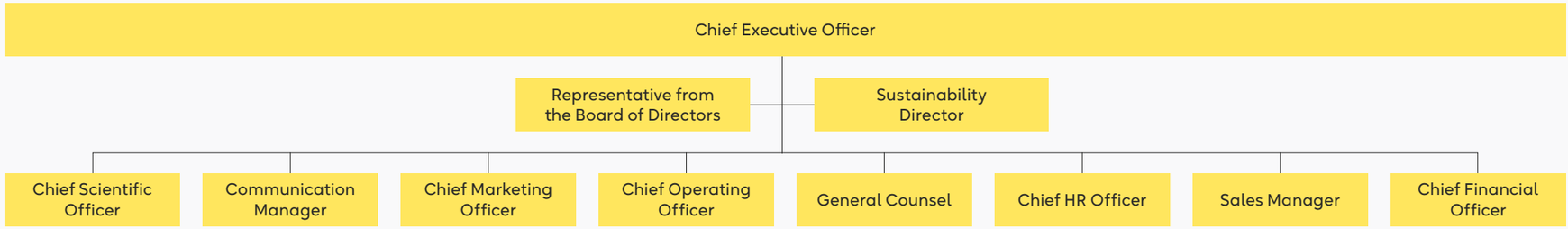


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Policies, directives and guidelines

BioGaia's Code of Conduct and global policy framework define the principles that guide responsible business conduct across the Group and ensure that sustainability is embedded in everyday operations. The Code applies to directors and employees within the BioGaia Group, as well as consultants and representatives acting on the company's behalf. As part of onboarding, all new employees are introduced to the Code of Conduct and relevant policies and directives. The Code is publicly available on the corporate website, while other global and local policies and directives are accessible to employees through our company intranet.

All Group-wide policies are subject to an annual review and approval process by the Board of Directors to ensure they remain up to date and align with BioGaia's strategic objectives and enterprise risk management process. Operational directives approved by the Chief Executive Officer or Executive Management support consistent implementation throughout the organization.

In addition to the annual policy review, in 2025 BioGaia launched an entirely new company Code of Conduct, strengthening expectations related to ethics, human rights, environmental responsibility and interactions with partners and society. We also revised and expanded our Environmental Policy into a comprehensive Environmental and Climate Policy, reflecting our commitment to reducing environmental and climate impact across the value chain (read more on pages 25, 26). The updated policy clarifies roles and responsibilities and guides decisions related to product development, procurement, packaging and material use, renewable energy and microbial biodiversity, supporting our long-term sustainability goals. Furthermore, an enhanced Data Privacy and AI Policy was introduced and approved by the Board, strengthening individuals' privacy rights as well as adherence to fundamental guidelines when using artificial intelligence (AI).

Policy/Directive	Main content	Scope	Ultimately responsible
BioGaia Code of Conduct	Ethical behavior, professional conduct, human rights, environmental considerations, and compliance with laws and regulations.	Own operations	Board of Directors
Global Governance Policy	Rules and structures for directing and controlling the company, including the policy structure.	Own operations	Board of Directors
Global Environmental and Climate Policy	Commitments and responsibilities for climate, environment, resource use and impacts across operations and the value chain.	Own operations and conduct affecting the value chain	Board of Directors
Global People Policy	Fair employment, workplace safety, diversity, inclusion and recruitment processes.	Own operations	Board of Directors
Global Anti-Bribery and Corruption Policy	Measures to prevent and address bribery, fraud and other corrupt practices, including ethical relationships with health care professionals.	Own operations and conduct along the value chain	Board of Directors
Global Conflicts of Interest Policy	Procedures for managing conflicts between personal and company interests.	Own operations	Board of Directors
Global Insider Trading Policy	Rules to prevent the misuse of non-public information for trading company securities.	Own operations	Board of Directors
Global Financial Policy	Principles for financial reporting, management and decision-making.	Own operations	Board of Directors
Global Procurement Policy	Procedures for ethical and efficient procurement.	Own operations	Board of Directors
Global Information Security Policy	Measures to protect the company's information from unauthorized access or loss, including BioGaia Intellectual Property.	Own operations	Board of Directors
Global Data Privacy and AI Policy	Principles to protect personal and confidential information, including BioGaia Intellectual Property and guidelines for use of AI.	Own operations	Board of Directors
Global Communication Policy	Rules for internal and external communication to ensure consistency and protect reputation.	Own operations	Board of Directors
Signatory and Authorization Policy	Procedures governing who may sign documents or make financial commitments.	Own operations	Board of Directors
IT Security Directive	Operational requirements for secure use of IT and information flows.	Own operations	CEO
Marketing Directive	Rules for ethical and compliant marketing practices.	Own operations	CEO
Travel Directive	Guidelines for business travel, including cost, safety and environmental considerations.	Own operations	CEO
Supplier Code of Conduct	Ethical, social and environmental expectations for suppliers.	Upstream value chain	CEO
Distributor Code of Conduct	Ethical and compliance expectations for distributors working on BioGaia's behalf.	Downstream value chain	CEO
Reporting Violations Guidelines	Channels and procedures for reporting serious concerns with protection against retaliation.	Upstream/ Own operations/ Downstream	CEO

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Double materiality assessment

Methodology and stakeholder dialogue

In 2025, BioGaia reviewed the materiality assessment conducted in 2024 to confirm that it continues to reflect the sustainability topics most relevant to our operations, stakeholders and long-term priorities. As there were no significant changes to our business model (pages 24), strategy (pages 36-59) or value chain (pages 25-26) during the year, the 2024 assessment remains a reliable foundation. Our 2025 work therefore focused on validating the continued relevance of existing topics and identifying whether any new themes had become significant.

Stakeholder perspectives continue to play an important role in shaping our understanding of material topics. These insights come from ongoing interactions with consumers, suppliers, retailers, distributors, employees, researchers, authorities and investors, including previous surveys and regular dialogue throughout the year. These continuous inputs, combined with discussions within the Sustainability Committee and contributions from internal scientific experts, help ensure alignment with stakeholder expectations and developments relevant to our product portfolio.

During the year, BioGaia evaluated the growing scientific understanding of microbial biodiversity – the diversity and balance of microorganisms that support human and planetary health – and its connection to BioGaia's business. Given our long-standing focus on clinically proven strains and their role in supporting healthy microbial ecosystems in humans, microbial biodiversity was assessed as highly strategically relevant. Following further analysis and Board approval, the topic was added as a new material topic for 2025.

The table summarizes BioGaia's key stakeholder groups, how BioGaia engages with them and the sustainability topics they prioritize.

Stakeholder	Prioritized Topics	Dialogue Type (*and frequency)
Consumers	- Safe products - Products with positive health effects - Products containing sustainable ingredients - Sustainable packaging - Sustainable transports	Direct and ongoing dialogue via social media and customer support channels.
Owners / shareholders	- Returns and dividends - Value creation - Reliable and responsible operations - Climate change	Quarterly reports, investor presentations and sustainability ratings (e.g., Sustainalytics, MSCI).
Employees	- Skills development and career path - Healthy working environment - Non-discrimination	Ongoing dialogue through managers, performance reviews, internal meetings and employee surveys.
Suppliers	- Long-term and evolving collaboration	Direct and ongoing dialogue involving Procurement, Operations and other departments working with suppliers. Sustainability-related topics are addressed as part of supplier dialogue and through data requests when relevant.
Distribution partners	- Evolving collaboration - Business ethics - Climate change	Due diligence and periodic integrity assessments are conducted by the Legal department. Ongoing dialogue is maintained through Sales, Marketing, Quality and Regulatory Affairs, including discussions on BioGaia's Distributor Code of Conduct and responses to sustainability questionnaires.
Retailers	- Climate change - Business conduct - Sustainable packaging - Sustainable ingredients - Safe products - Diversity	Detailed analysis of sustainability agendas and targets of key retailers.
Researchers	- Independent research projects - Evolving collaboration - Microbial biodiversity and the human microbiome	Direct and ongoing dialogue through the Research department and BioGaia's scientific network.
Authorities	- Regulatory compliance - Financial transparency and compliance with capital market regulations applicable to publicly listed companies	Dialogue with authorities directly or through national and international industry organizations. Ongoing interaction with financial and regulatory stakeholders related to BioGaia's public listing and financial reporting obligations.
Future generations	- Climate change - Existential risks - Microbial biodiversity and long-term planetary and human health	Direct dialogue is not possible, but future generations are considered in assessing BioGaia's long-term impacts, including climate change and microbial biodiversity.

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Key outcomes

BioGaia's material sustainability topics remain aligned with the company's sustainability strategy. These include product quality and safety, transparent research and clinically proven effects, positive health impact, business ethics, employee safety and well-being, climate impact, sustainable packaging and raw materials, responsible third-party practices and communication with consumers and healthcare professionals. Although not classified as material, diversity and equal opportunities remain a priority for BioGaia and are reported in accordance with the Swedish Annual Accounts Act.

Microbial biodiversity has been added as the only new material topic for 2025. Its inclusion reflects BioGaia's scientific foundation and our potential contribution to maintaining diverse and stable microbial ecosystems in humans – an area increasingly recognized for its links to long-term health, resilience, and disease prevention. The topic strengthens BioGaia's focus on science-led sustainability and reinforces the connection between product development, clinical research and broader health outcomes related to the human microbiome.

The double materiality matrix summarizes the sustainability topics most relevant to us and our stakeholders, including the addition of microbial biodiversity for 2025, and demonstrates how these topics support our long-term strategic direction.

Healthy business:

- **B** Protection of whistleblowers
- **C** Anti-corruption and anti-bribery
- **C** Interactions with HCP
- **D** Corporate culture

Healthy planet:

- **D** Sustainable transportation
- **D** Sustainable packaging
- **D** Sustainable raw materials
- **E** Climate impact
- **E** Microbial biodiversity

Healthy people:

- **A** Positive impact on health
- **A** Transparent research and clinically proven effects
- **B** Employee health
- **C** Product quality and safety
- **D** Communication with consumers and end-users
- **D** Training and skills development
- **D** Work-life balance
- **D** Responsible third parties
- **F** Diversity and equal opportunities

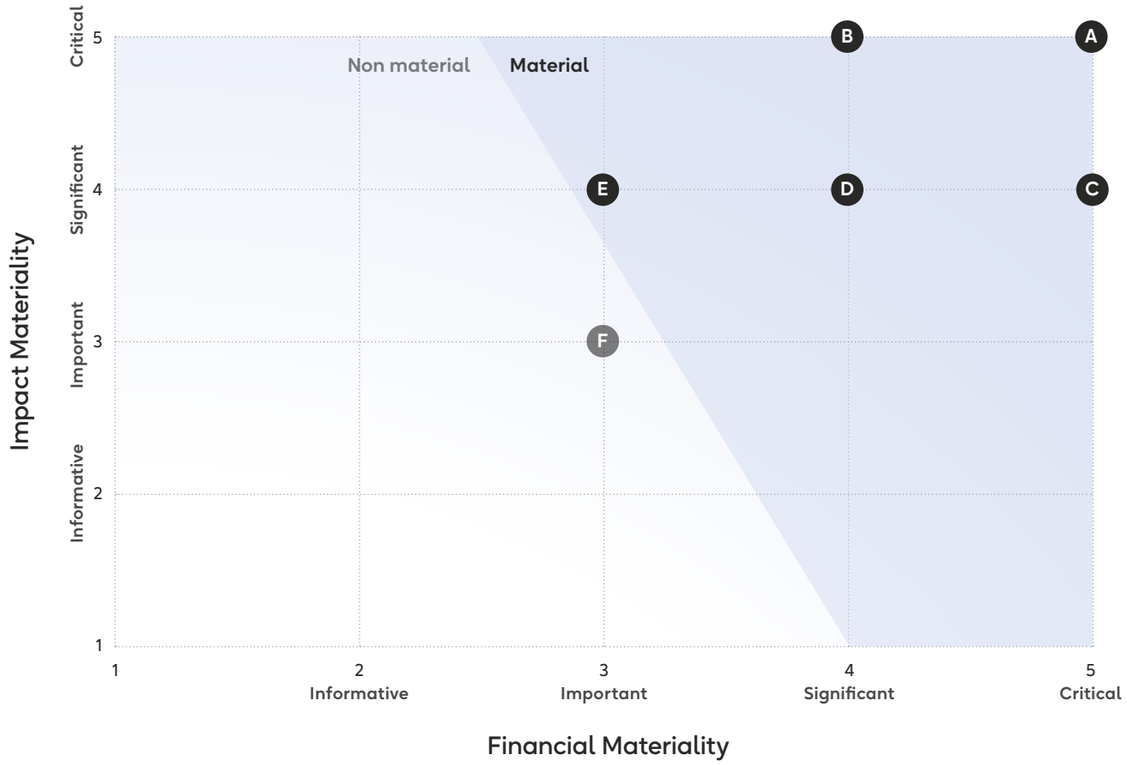


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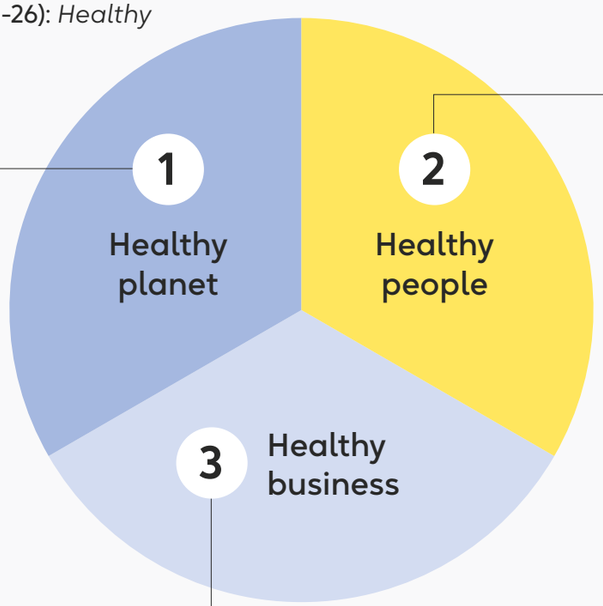
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Sustainability strategy and goals

Our sustainability work and strategy are structured around three areas that reflect our most significant impacts, risks and opportunities in our value chain (pages 25-26): *Healthy planet*, *Healthy people* and *Healthy business*.



Environment – Healthy planet

We contribute to a healthy planet by reducing our climate impact, improving resource efficiency, and by choosing more sustainable packaging, raw materials and transportation. We support microbial biodiversity by reintroducing strains that are lost, reflecting our scientific foundation.

Microbial biodiversity

- Microbial biodiversity

Climate change

- Climate impact
- Sustainable transportation

Resource use and circular economy

- Sustainable packaging
- Sustainable raw materials

Social – Healthy people

We contribute to healthy people by offering products proven to promote health and well-being, developed through ethical, rigorous and transparent research. We foster a safe, inclusive workplace that supports employee health and responsible value-chain practices.

Own workforce

- Employee health and safety
- Training and skills development
- Work-life balance
- Diversity and equal opportunities

Workers in the value chain

- Responsible third parties

Consumers and end-users

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

Governance – Healthy business

We contribute to a healthy business by operating with integrity, transparency and accountability. We ensure responsible stakeholder practices and foster a workplace where employees feel engaged, supported and able to thrive.

Business conduct

- Corporate culture
- Protection of whistleblowers
- Anti-corruption and anti-bribery
- Interactions with healthcare professionals (HCP)

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Environment: Healthy planet

	GOAL	TARGET YEAR	PROGRESS	STATUS
Climate Impact	**1. Reduce Scope 1 & 2 emissions by 46 percent by 2030 from 2019 emission levels (Science Based Target).**	2030	For the fourth year in a row, BioGaia achieved the science-based target for Scope 1 and 2. In 2025, Scope 1 and 2 emissions were 52 percent lower than in 2019, based on a market-based method.	→ According to plan
	2. Establish a science-based supplier engagement target for key Scope 3 suppliers to actively reduce emissions in the supply chain.	2028	Engagement with key suppliers continues, with the aim of supporting their progress in adopting climate emissions reduction targets. While discussions are ongoing, during the year one additional supplier committed to adopting targets aligned with the Science Based Targets initiative.	→ According to plan
Sustainable transportation	**3. Reduce relative climate emissions per sales volume from business travel by 30 percent compared to 2019.**	2030	In 2025, BioGaia reduced emissions from business travel per sales volume by 50 percent compared to 2019.	→ According to plan
Sustainable packaging	**4. All paper packaging used in our production and in new product launches should continue to be certified from responsibly managed forests or consist of verified recycled material.**	Recurring	All BioGaia's contract manufacturers' paper packaging comes from certified responsibly managed forests including paper box, shipper packaging and leaflet.	✓ Achieved
	5. By 2030, ensure all packaging meets or exceeds recyclability or other sustainable end-of-life criteria, such as biodegradable solutions where feasible, without compromising product stability for probiotics.	2030	As part of our efforts to achieve the 2030 target, we continued to identify and promote targeted packaging improvements to increase recyclability, without compromising probiotic stability.	→ According to plan
	6. BioGaia aims to identify new packaging solutions that reduce our climate impact per dose and prioritize packaging solutions that minimize environmental impact.	Recurring	In 2025, we successfully transitioned to ISCC-certified 100 percent mass-balanced plastic for all product containers[2] filled at BioGaia Production and continued progress on more sustainable packaging processes.	→ According to plan
	7. Sustainability aspects must be continuously evaluated in product development projects and when procuring packaging solutions.	Recurring	BioGaia enhanced and expanded the sustainability checklist for product development in 2025, to include more comprehensive sustainability assessment criteria and alignment with future PPWR requirements.	→ According to plan
Sustainable raw materials	**8. One hundred percent of all BioGaia products released for sale shall be free from palm oil in the ingredient list, except in markets where regulatory constraints or delayed regulatory approvals apply.**	2027	In 2025, the amount of palm oil in the tablets and oil drops sold further decreased as part of our ongoing phase-out efforts.	→ According to plan

2) Container and lid excluding sticker and desiccant.

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Social: Healthy people

	GOAL	TARGET YEAR	PROGRESS	STATUS
Employee health	**1. No physical injuries in the operation.**	Recurring	No work-related incidents resulting in sick leave were reported within the BioGaia Group in 2025. This reflects continued focus on preventive safety routines and proactive management of health and safety risks across operations.	Achieved
Training and skills-development	**2. At least 90 percent of our employees should have completed a performance review.**	Recurring	During the year, we strengthened the link between performance reviews and individual development plans, while clarifying career paths and supporting managers in their leadership roles.	According to plan
Diversity and equal opportunities	**3. Ensure that BioGaia's recruitment processes are designed to be fair, inclusive, and welcoming to candidates from a wide range of backgrounds, experiences, and perspectives.**	Recurring	In 2025, we continued our efforts to promote fair and inclusive recruitment and people processes through guidance, transparency and awareness across the organization, recognized through continued inclusion on AllBright's green list.	According to plan
Work-life balance	**4. People managers to actively promote work-life balance by supporting task prioritization and flexible work options according to our employee policies.**	Recurring	We continued to support work-life balance through flexible work arrangements where roles allow, clear meeting practices and manager-led task prioritization in line with employee policies.	According to plan
Responsible third-parties	**5. Ensure that key suppliers and distributors have signed and comply with BioGaia's Code of Conduct.**	Recurring	We continued to ensure that key suppliers and distributors were covered by and committed to the Supplier Code of Conduct and Partner Code of Conduct, supported by ongoing monitoring, third-party assessments and dialogue.	According to plan
Product quality and safety	**6. 100 percent of the suppliers that affect product quality should have a Quality Management System certified by a third party.**	Recurring	100 percent of BioGaia's key suppliers (contract manufacturers) and 97 percent of other quality-influencing suppliers have third-party certified Quality Management Systems. 100 percent are qualified, and critical suppliers undergo regular inspections.	Achieved
Transparent research and clinically proven effects	**7. 100 percent of BioGaia's dietary supplement products will consistently meet WHO's and ISAPP's requirements to be recognized as probiotics.**	Recurring	BioGaia assesses that all dietary supplement products meet ISAPP's require-ments. For more information see page 108.	According to plan
	8. 100 percent of all studies fully sponsored by BioGaia should be registered on a public website, such as ClinicalTrials.gov.	Recurring	All clinical studies fully sponsored by BioGaia meet these criteria.	According to plan

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Governance: Healthy business

	GOAL	TARGET YEAR	PROGRESS	STATUS
Corporate culture	**1. Employees must complete onboarding training on the Code of Conduct, Global Policies, BioGaia values and expectations, reinforced through recurring Code of conduct and Global Policy training at least every two years.**	Recurring	During the year, we continued to reinforce our corporate culture through onboarding and recurrent training on the Code of Conduct, Global Policies and company values. Towards the end of the year, a new and more comprehensive Code of Conduct was launched to further clarify expectations and support ethical behavior across the organization.	→ According to plan
Protection of whistleblowers	**2. Employees should be informed about and have access to BioGaia's whistleblower system, with zero tolerance for retaliation.**	Recurring	Throughout 2025, BioGaia continued to ensure that employees and external stakeholders were informed about and had access to the whistleblower system, with zero tolerance for retaliation, supported by onboarding and policy training.	→ According to plan
Anti-corruption and anti-bribery	**3. Employees in high-risk roles with decision-making authority shall complete in-depth role-based anti-corruption training, aligned with BioGaia's risk assessment.**	Recurring	As part of ongoing compliance work, employees in designated high-risk and decision-making roles continued to complete role-based anti-corruption training aligned with BioGaia's risk assessment.	→ According to plan
	4. Conduct risk assessments against bribery and corruption in BioGaia's selected markets, to be used to prioritize activities and allocate resources.	2025	During the reporting period, BioGaia conducted bribery and corruption risk assessments in selected markets to support the prioritization of compliance activities and resource allocation.	✓ Achieved
	5. Uphold a robust third-party anti-bribery and corruption program by ensuring 100% of all new distributors, agents and other high-risk third parties in scope undergo due diligence and formally commit to a compliance with laws undertaking.	Recurring	In line with established compliance procedures, all new distributors, agents and other high-risk third parties in scope continued to undergo due diligence and formally commit to compliance with applicable anti-corruption laws and BioGaia's standards.	→ According to plan
Interactions with healthcare professionals	**6. Ensure employees in HCP-facing roles complete targeted training on compliant interactions every two years.**	Recurring	As part of ongoing governance efforts, employees in HCP-facing roles continued to complete targeted training on compliant and evidence-based interactions with healthcare professionals.	→ According to plan

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Environment – Healthy planet

Human health depends on a healthy planet. As our work centers on supporting people's well-being, taking responsibility for our environmental impact is a natural part of our daily decisions.

Microbial biodiversity
– Microbial biodiversity

Climate change
– Climate impact
– Sustainable transportation

Resource use and circular economy
– Sustainable packaging
– Sustainable raw materials

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Microbial biodiversity

Life began with bacteria. Long before plants or animals existed, microbial life shaped the early environments that allowed all other forms of life to evolve.

Today, microbes still make up the vast majority of the planet's biodiversity, often estimated at over 90–95 percent of all species. Microbes remain responsible for essential biochemical and ecological processes – from nutrient turnover to atmospheric balance – making them foundational to the stability of all ecosystems.

Lovelock, J.E. and Margulis, L. (1974) 'Atmospheric homeostasis by and for the biosphere: The Gaia hypothesis', *Tellus*. Litchman, E. (2024) 'Climate change effects on the human gut microbiome', *The Lancet Planetary Health*. Cavicchioli, R. et al. (2019) 'Scientists' warning to humanity: Microorganisms and climate change', *Nature Reviews Microbiology*. World Health Organization (2024) Antimicrobial resistance. Fact sheet. Pfenning-Butterworth, A. et al. (2024) 'Interconnecting global threats: climate change, biodiversity loss, and infectious diseases', *The Lancet Planetary Health*. Naghavi, M. et al. (2024) *Global burden of bacterial antimicrobial resistance 1990–2021: a systematic analysis with forecasts to 2050, The Lancet*.

Awareness of biodiversity loss is increasing, but public discussions usually focus on the tangible: endangered species, shrinking habitats, and damaged ecosystems. Beneath all of this lies an older, fundamental and invisible layer – microbial diversity. Microorganisms maintain soil fertility, support food production, influence water and nutrient cycles, and form the biological backdrop of human health.

Scientists now warn that microorganisms are experiencing their own form of global disruption – a "microbial climate change" – where human activity chronically reduces microbial diversity across soils, oceans, and within the human body.

A *Nature* scientific journal commentary recently described microbial biodiversity as "the missing layer" of global conservation efforts – essential for ecosystem resilience yet consistently overlooked.

This disruption is especially evident in humans. Scientific evidence consistently shows that an urban Western lifestyle is reshaping human microbiomes by altering their microbial structure and composition, and in many cases drastically reducing their diversity. These shifts have been associated with increased incidence of inflammatory and chronic health conditions, including metabolic syndrome, cardiovascular disease, type 2 diabetes, obesity, neurological disorders and certain autoimmune-associated intolerances.

The idea that the world functions as an interconnected living system goes back to the Gaia hypothesis, introduced by James Lovelock and developed with microbiologist Lynn Margulis in the 1970s. This idea also inspired the name BioGaia. Their work showed how microorganisms help regulate the conditions that make the planet habitable, from soil formation to nutrient cycles and atmospheric balance. In this view, microbes are not just part of planet's systems; they are central to its stability.

Modern science echoes this understanding through the One Health framework, which recognizes that the health of humans, animals, and ecosystems is inseparable. Microbial diversity lies at the heart of these relationships: shifts in environmental microbiomes influence human and animal health, while human activity reshapes microbial communities in the natural world. A recent review highlights how ecological disruption, including climate-related changes, is altering the human microbiome with consequences for immunity and infection patterns.

One of the clearest consequences of this disruption is antimicrobial resistance (AMR). Antibiotics used in health-care, livestock, and agriculture enter wastewater and soils, accelerating the development and spread of resistant strains. According to global modelling, 39.1 million deaths directly attributable to AMR could occur between 2025 and 2050 without urgent action, underscoring how deeply environ-mental and human microbial systems are intertwined.

These connections between microbial resilience, planet's ecosystems, and human health highlight a fundamental truth: microorganisms do not simply inhabit the planet – they help regulate it.

It is therefore no coincidence that our name reflects this connection: **Bio** (life) and **Gaia** (earth).

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Huancayo, Peruvian Andes

Reintroducing what was lost

BioGaia's story began with a simple scientific question: *If beneficial bacteria once existed naturally in humans, why had they become so difficult to find?*

In the late 1980s, researcher Ivan Casas set out to identify a strain of *Limosilactobacillus reuteri* isolated from humans. Early samples collected from urban hospitals showed none, raising the possibility that contemporary lifestyles had interrupted the natural transfer of beneficial microbes from mother to child.

Rather than abandon the search, Ivan travelled beyond modern environments to communities where traditional ways of living remained intact. In *Huancayo*, high in the Peruvian Andes, breast milk samples were collected from women whose daily lives still reflected the microbial exposures that shaped human health over millennia. There, *L. reuteri* was still present.

The discovery was pivotal. It demonstrated that the bacterium had not vanished from humanity; it had simply become scarce in increasingly industrialized societies. It also suggested that modern childbirth practices, altered diets, reduced exposure to nature, and widespread antibiotic use may have disrupted this microbial continuity across generations. This reflects a broader scientific concern: human microbiomes are losing microbial members that were once active participants in health, while such strains can still be found in populations less affected by inflammatory diseases.

This insight shaped our mission.
For more than 30 years, we have studied, preserved, and developed bacteria isolated from humans through rigorous, indication-driven clinical research. Over time, BioGaia's work has contributed to a deeper understanding of how restoring beneficial bacteria can support natural biological processes and healthy development, reconnecting people with microbial relationships that have diminished over generations.

At BioGaia, we ensure that key human isolated strains are not only preserved but thoroughly understood and clinically validated. The *L. reuteri* strain, originally isolated from breastmilk in the Andes, remains one of the most well-studied examples – a long-standing microbial companion whose functions can now be supported through modern probiotic science.

The human journey began with microbes billions of years ago; strengthening that connection is at the heart of BioGaia's work: **supporting your invisible heroes**.

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Materiality

Microbial ecosystems – in soil, agriculture and the human body – are increasingly disrupted by climate change, environmental degradation, unsustainable farming and widespread antibiotic use. These pressures affect microbial biodiversity, which underpins food production, immune function and global health.

BioGaia's contribution to biodiversity lies primarily in supporting and protecting microbial life, particularly within the human microbiome, a dimension increasingly recognized as closely connected to broader ecological resilience. Stakeholders expect BioGaia to advance microbial health through science-driven innovation and responsible action on antibiotic use.

While microbial biodiversity represents BioGaia's most relevant biodiversity impact, our traditional biodiversity impacts remain limited due to our small operational footprint, with two offices in Sweden, sales offices worldwide, and a single 6,500-square-meter production facility for packing probiotic products. Indirect biodiversity impacts related to materials and sourcing are addressed through our initiatives on sustainable raw materials (p. 87) and sustainable packaging (pp. 84-86).

Our approach

Our contribution to microbial biodiversity begins with the integrity and viability of our probiotic strains which are isolated from humans. BioGaia's products are indication-driven and supported by clinical research, and maintaining microbial viability is central to product performance.

Our moisture-protective desiccants ensure product stability for at least two years without cold-chain requirements, and each product is guaranteed to contain adequate viable bacteria at the end of shelf life, typically 100 million colony- forming units (CFU) per daily dose, depending on indication.

BioGaia's research also supports microbial resilience during antibiotic use, a moment when microbial ecosystems are highly vulnerable. A Turkish clinical study involving 720 children showed that *L. reuteri* reduced the incidence of antibiotic-associated diarrhea, and a *L. reuteri* Pharax® study demonstrated reduced need for antibiotic prescriptions among children taking the strain combination *L. reuteri* Pharax®. These findings illustrate how supporting beneficial bacteria can help maintain microbial balance and mitigate disruptions linked to antimicrobial resistance (AMR).



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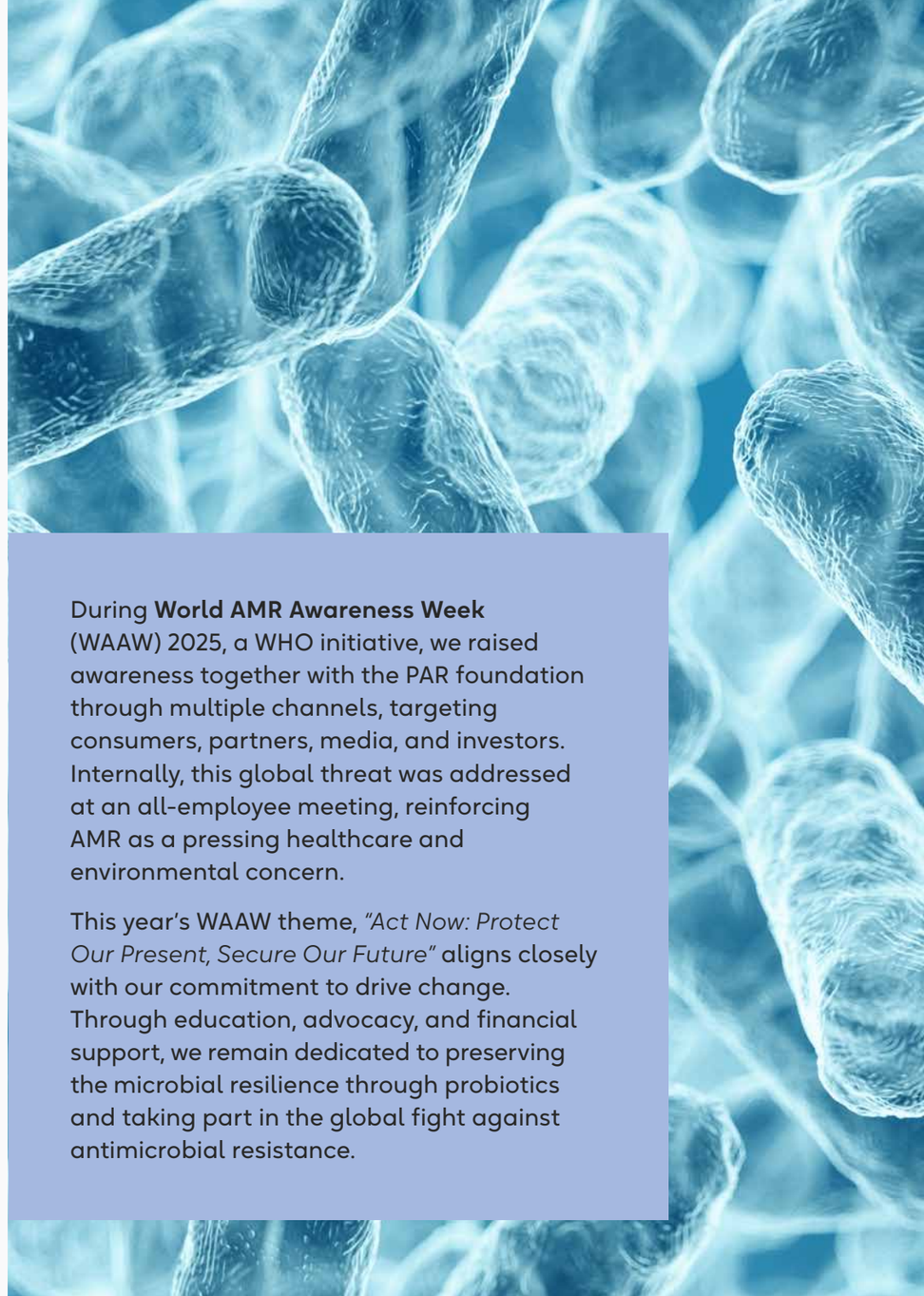
Partnerships

Our work to support microbial biodiversity extends beyond BioGaia's products through long-term partnerships that reinforce microbial resilience from complementary angles – reducing pressures that threaten microbes today, preserving microbial diversity for the future, and strengthening the environmental conditions that microbial life ultimately depends on.

Our longest-standing contribution in this area is through the PAR Foundation to Prevent Antibiotic Resistance (PAR), which BioGaia helped establish. PAR funds initiatives aimed at reducing unnecessary antibiotic use and strengthening infection management – two critical levers in addressing antimicrobial resistance, a major threat to microbial ecosystems worldwide. In 2025, BioGaia contributed SEK 5 million to the Foundation.

BioGaia also contributed USD 44,000 to Milkywire's Climate Transformation Fund in 2025 (read more on page 81). The Fund supports climate-mitigation and nature-restoration efforts that help address environmental pressures affecting microbial ecosystems, extending BioGaia's impact beyond traditional offsetting.

Together, these partnerships form a coherent approach: reducing microbial disruption today through responsible antibiotic use (PAR), and supporting the environmental foundations that microbial life depends on (Climate Transformation Fund).



During **World AMR Awareness Week** (WAAW) 2025, a WHO initiative, we raised awareness together with the PAR foundation through multiple channels, targeting consumers, partners, media, and investors. Internally, this global threat was addressed at an all-employee meeting, reinforcing AMR as a pressing healthcare and environmental concern.

This year's WAAW theme, *"Act Now: Protect Our Present, Secure Our Future"* aligns closely with our commitment to drive change. Through education, advocacy, and financial support, we remain dedicated to preserving the microbial resilience through probiotics and taking part in the global fight against antimicrobial resistance.

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Climate impact

Materiality

Climate change is one of the most significant long-term challenges for society and for our value chain (p. 25). As a company with a global footprint and a mission to support human health, we work actively to reduce our greenhouse gas emissions and strengthen our resilience. Stakeholders, including customers, investors, suppliers, distributors and employees, expect us to take responsibility for our climate impact, and doing so is an essential part of our commitment to a Healthy Planet.

Reducing climate emissions also supports BioGaia's operational efficiency and long-term stability. By lowering energy use, improving transport efficiency and preparing for new regulatory requirements, we can reduce risks and costs over time. Climate-related risks can arise through physical events, such as heatwaves or extreme weather that disrupt supply chains, as well as transition-related changes such as new policies, evolving consumer expectations and increased pressure on suppliers.

Our approach

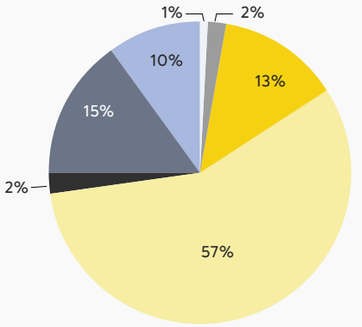
BioGaia's environmental and climate work is guided by our Environmental and Climate Policy, updated in 2025 and approved by the Board. The revised policy builds on previous versions and reflects new regulatory requirements, evolving stakeholder expectations and our increasing ambitions within sustainability.

The policy sets out our commitments across all key environmental areas – climate action, renewable energy, responsible sourcing, circularity, waste and material efficiency, water and chemical management and biodiversity – and explains how these commitments should be integrated into day-to-day decisions across the organization. The 2025 update also provides clearer roles and responsibilities, strengthens expectations for R&D, procurement and packaging design, and aligns our approach with upcoming legislation such as the PPWR and EUDR.

Climate- and environment-related responsibilities are overseen by our Sustainability Committee, which monitors progress, regulatory developments and risks as part of BioGaia's broader sustainability governance, read more on page 64. In addition, a dedicated cross-functional packaging team meets quarterly to evaluate material choices, assess new solutions and ensure alignment with both our policy commitments and regulatory requirements, while actively pursuing innovation that supports more sustainable packaging solutions.

In 2025, BioGaia also implemented an updated carbon accounting tool to strengthen data quality, consistency and transparency across emission categories. As a result, certain emission calculations for 2025 may differ from previous years due to updated emission factors and methodological improvements, rather than changes in underlying activity levels.

BioGaia's emission sources 2025



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

Only a small share of BioGaia's total emissions comes from our own operations (Scope 1 and 2), including company vehicles and energy use in offices and production sites. The vast majority of emissions arise in the value chain (Scope 3), mainly from downstream transportation to distribution partners, followed by emissions from ingredients and packaging materials.

*Footnote: In some countries where we operate, such as Finland, Canada, the UK, Australia, France and Germany, employees mainly work from home or rent office space from other organizations. BioGaia therefore has limited ability to influence electricity use in these locations.

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Scope 1 & 2 emissions

Three years ago, BioGaia committed to a science-based climate target aligned with the global ambition to limit warming to 1.5°C. The target requires BioGaia to reduce Scope 1 and 2 emissions by at least 46% by 2030, using 2019 as the baseline. The Science Based Targets initiative (SBTi) verified BioGaia's target in 2022.

BioGaia has limited direct emissions from its own operations, as we own only a small number of vehicles and have no energy-intensive production facilities. The main sources of Scope 1 and 2 emissions are electricity and heating in offices and production sites. Therefore, procuring non-fossil-based electricity remains the most effective way to reduce emissions within these categories.

We purchase 100% non-fossil-based electricity for all office locations and production facilities where we can influence energy contracts[1]. This includes operations in Sweden, Japan, and the United States, where certificates corresponding to annual electricity consumption are purchased. As non-fossil-based electricity contracts have expanded across operations, BioGaia has continued to meet – and in practice exceed – its science-based reduction trajectory.

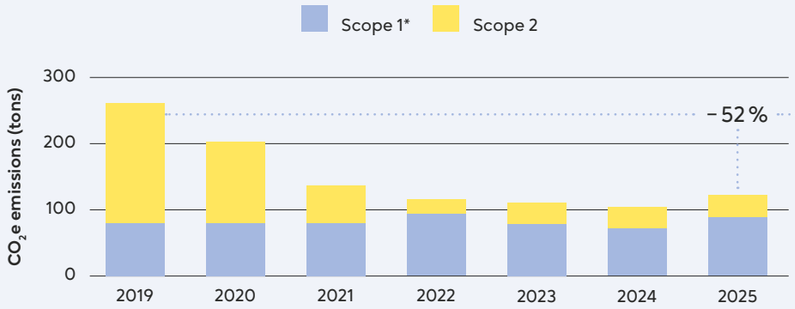
Using the market-based method, BioGaia achieved a 52 percent reduction in Scope 1 and 2 emissions in 2025 compared with 2019, corresponding to approximately 136 tonnes CO_2e. Maintaining this reduction level will be essential to meet the target by 2030, including ensuring that all new or expanded premises are supplied by renewable electricity.

1) In other countries where BioGaia has operations, such as Finland, Canada, the UK, Australia and from 2025 France and Germany our employees work mainly from home or rent space in the offices of other organizations. Due to this, BioGaia has limited opportunities to control and influence electricity use. Furthermore, the electricity consumption attributable to these working arrangements is comparatively low housing 1-3 persons per site.

Energy consumption and mix

Energy type	Consumption (MWh)	% of consumption
Fossil sources*	487	17%
Nuclear sources	0	0%
Renewable sources	2324	83%
- Purchased renewable electricity, heat, steam, cooling	2301	82%
- Self-generated non-fuel renewable energy	23	1%
Total energy consumption	**2722**	**100%**

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



BioGaia achieved a **52% reduction** in Scope 1 and 2 emissions in 2025 compared with 2019

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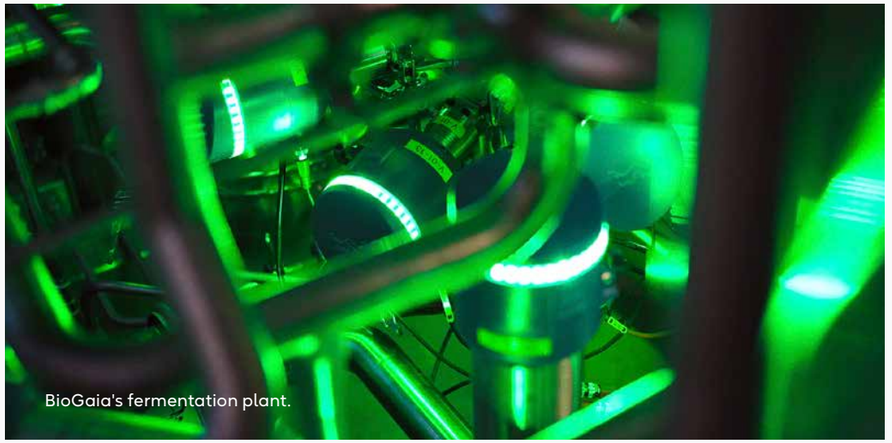
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BioGaia's fermentation plant.

Our production facility in Eslöv, Sweden

BioGaia Production is at the forefront of adopting energy-efficient solutions across our operations. The site combines rooftop solar power with non-fossil-based electricity and uses heat recovery, LED lighting, frequency-controlled equipment, and energy-efficient heating supported by ice sticks and cold-retaining rods to lower energy use. When replacing or expanding cooling systems, BioGaia Production invests in modern refrigeration and heating solutions with very low climate impact, including CO_2-based heat pump technology, which uses a natural refrigerant and delivers high energy efficiency with low lifecycle emissions.

The site also offers charging stations for electric vehicles and bicycles and supports local water management through a stormwater retention pond constructed and financed by BioGaia Production on municipal land. Uniquely developed cleaning systems are used to minimize the consumption of detergents and cleaning agents in operations. Everyday materials handling has similarly been updated with lower- impact options such as paper-based tape and recycled-content stretch film. In addition, investments in laser marking technology help reduce the use of ink and solvents for date and batch printing on packaging lines. Resource efficiency at BioGaia Production remains high, with scrapped products accounting for only 0.49% of total production during the year.



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Scope 3 emissions

Most of our climate impact arises in Scope 3, across the value chain beyond our direct operations. These emissions occur throughout upstream and downstream activities and stem mainly from the production of ingredients and packaging materials, freight transport to distribution partners, and business travel.

A detailed overview of BioGaia's greenhouse gas emissions is presented on page 125, and a description of BioGaia's value chain is provided on page 25.

Because the majority of emissions originate from activities performed by external partners, reducing Scope 3 emissions requires close collaboration throughout the value chain. BioGaia works with suppliers and logistics partners to improve transparency in emissions reporting and support gradual reductions over time.

Science-based target in the supply chain

To effectively reduce climate emissions in the supply chain, BioGaia regularly monitors and engages suppliers with the highest climate relevance – including suppliers of raw materials, packaging components, logistics services, freight partners and travel agencies. The ambition is to encourage these suppliers, similar to BioGaia's own SBTi commitment, to adopt science-based emissions-reduction targets aligned with the Paris Agreement and the SBTi Supplier Engagement Target.

In 2025, we continued following up with key suppliers and at the end of the year, 71% of targeted suppliers had committed to science-based targets. Expectations for suppliers are reinforced in BioGaia's Environmental and Climate Policy, which encourages suppliers to participate in recognized third-party sustainability assessments such as EcoVadis and SMETA.

Suppliers with a science-based target	2025	2024
Direct suppliers of input goods	71%	57%

	GOAL	TARGET YEAR	PROGRESS	STATUS
Climate Impact	**1. Reduce Scope 1 & 2 emissions by 46 percent by 2030 from 2019 emission levels (Science Based Target).**	2030	For the fourth year in a row, BioGaia achieved the science-based target for Scope 1 and 2. In 2025, Scope 1 and 2 emissions were 52 percent lower than in 2019, based on a market-based method.	→ According to plan
	2. Establish a science-based supplier engagement target for key Scope 3 suppliers to actively reduce emissions in the supply chain.	2028	Engagement with key suppliers continues, with the aim of supporting their progress in adopting climate emissions reduction targets. While discussions are ongoing, during the year one additional supplier committed to adopting targets aligned with the Science Based Targets initiative.	→ According to plan



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Internal carbon price and Climate Transformation Fund

We introduced an internal carbon price in 2022 to be used as a tool to strengthen our sustainability focus and finance projects with substantial potential to reduce global carbon emissions. This initiative aims to integrate environmental impact into decision-making by quantifying the cost of greenhouse gas emissions. The internal carbon price applies to emissions across BioGaia's value chain:

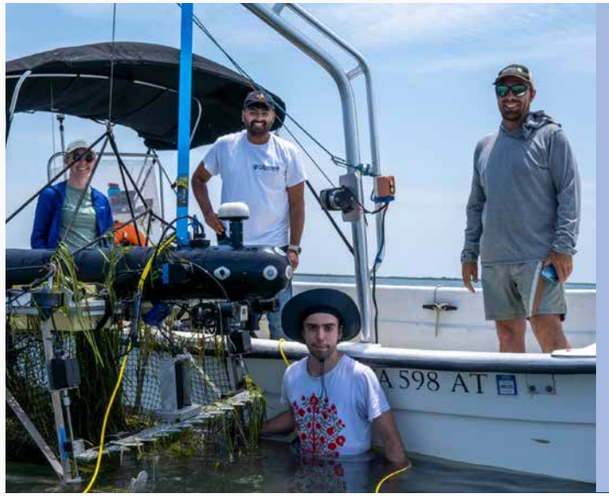
- USD 100 per tonne CO_2e for Scope 1 and 2
- USD 10 per tonne CO_2e for Scope 3

(excluding distribution emissions due to data uncertainty and limited influence over transport modes).

Funds generated through the internal carbon price are used to support Milkywire's Climate Transformation Fund (CTF). Instead of purchasing traditional offsets, BioGaia contributes to the CTF to help accelerate long-term, science-based climate mitigation, including durable carbon removal, systemic emissions reductions and nature restoration. Projects are selected based on a number of stringent criteria with guidance from an advisory group with extensive experience in the field of climate change.

BioGaia's contribution for 2025 amounts to USD 44,000. Since 2022, BioGaia has contributed a total of USD 197,000 to the Climate Transformation Fund.

The following examples illustrate initiatives supported through the fund during 2025 that contribute to climate mitigation and environmental resilience.



1 Robotic seagrass restoration for carbon sequestration and biodiversity

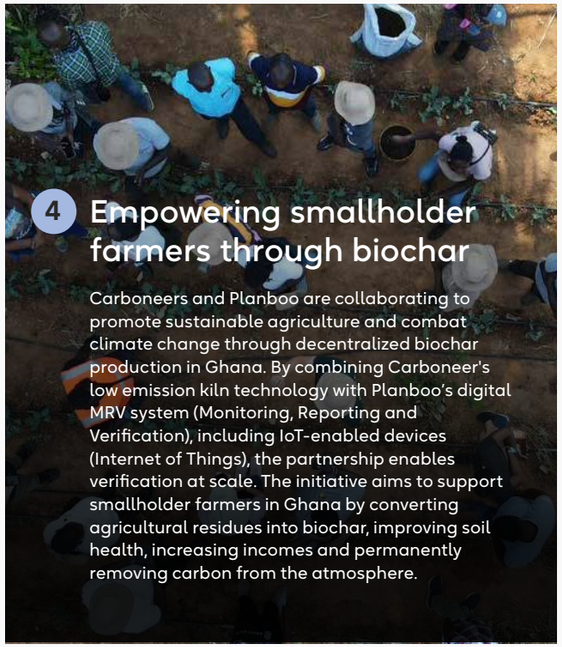
Ulysses uses robotic planting technology to restore seagrass meadows along the Australian coast, in collaboration with the University of Western Australia. These underwater ecosystems capture and store carbon, enhance biodiversity and strengthen coastal resilience. With support from CTF, Ulysses is scaling up restoration efforts and improving the efficiency of seed collection, planting and monitoring, enabling large-scale restoration of degraded seagrass ecosystems. Ulysses is working in collaboration with the University of Western Australia.

2 Decarbonizing heavy industries

Industrious Labs accelerates the decarbonization of heavy industry, with a focus on cement, steel and aluminium. By combining advocacy, data and analysis, movement building and strategic communications, the organization promotes the transition from carbon-intensive production methods to proven low-carbon technologies, supporting large-scale and lasting emissions reductions.

3 Integrating low-grade heat and electrochemistry for CO_2 capture

Yama is a pioneering Direct Air Capture company with innovative technology that integrates a scalable, low-grade heat source with electrochemistry. Yama's solution addresses key limitations in existing approaches by enhancing energy efficiency, large-scale carbon capture, combined with strategic partnerships, indicates a strong potential for scalability.



4 Empowering smallholder farmers through biochar

Carboneers and Planboo are collaborating to promote sustainable agriculture and combat climate change through decentralized biochar production in Ghana. By combining Carboneer's low emission kiln technology with Planboo's digital MRV system (Monitoring, Reporting and Verification), including IoT-enabled devices (Internet of Things), the partnership enables verification at scale. The initiative aims to support smallholder farmers in Ghana by converting agricultural residues into biochar, improving soil health, increasing incomes and permanently removing carbon from the atmosphere.

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Climate impact

Tons CO_2e emissions by company	Scope 1 (GRI 305-1)[2]				Scope 2 (GRI 305-2)				Scope 3 (GRI 305-3)			
	2025	2024	2023	2022	2025	2024	2023	2022	2025	2024	2023	2022
BioGaia AB	0	0	0	0	0	0	5	6	6 552	7 168	6 284	6 760
BioGaia's subsidiaries	90	73	77	93	35	33	27	16	637	872	878	695
Total emissions for BioGaia group	90	73	77	93	35	33	32	22	7190	8 040	7162	7455

1) As of 2022, the acquired U.S. subsidiary is included in the reporting. To enable a comparable analysis of emission reductions, a retroactive recalculation of the 2019 base year was carried out in 2022. The Group's total emissions for 2019 (Scope 1 and 2, market-based method), including the U.S. subsidiary, were established at 261 tCO_2e.
2) The increase between 2024 and 2025 is driven by updated emission factors. When applying the 2025 emission factors to both years, the actual increase amounts to approximately 3 percent.

Tons CO_2 eq. emissions by category	2025	2024	2023	2022	2019
SCOPE 1 (GRI 305-1)[1]					
Company cars	90	73	77	93	75
Refrigerant leakage	0	0	0	0	–
SCOPE 2 (GRI 305-2)[1]					
Electricity, cooling and heating – market based	35	33	32	22	69
Electricity, cooling and heating – location based	260	208	205[6]	201	56
SCOPE 3 (GRI 305-3)[2]					
Electricity, cooling and heating – market based[1] not included in Scope 2 (3)	57	31	26	27	–
Emissions from company cars – Scope 3	20	22	23	28	–
Product ingredients (1, 10)	727	776	745	850	644
Product packaging[3] (1)	984	875	836	839	696
Outbound transportation (4,9)[4]	4,054	4,592	4,229	4,477	–
Handling of packaging at the end of the lifecycle (12)	137	123	110	119	108
Transportation of raw materials (4)	104	137	91	79	69
Commuting (7)	155	168	141	134	143
Business travel (6)	935	1303	947	891	939
Other (office supplies and office waste as well as emissions from rented properties) (1, 5, 8)	16	13	13	11	14
Total emissions in BioGaia Group excl. outbound transportation	**3,261**	**3,554**	**2,933**	**3,091**	**2,684**
Total climate impact included in BioGaia's internal carbon price (excl. outbound transportation)	**3,261**	**3,554**	**2,933**	**3,091**	**-**
Amount paid for CO_2e emissions (USD)	**44,000**	**45,000**	**40,150**	**41,500**	
Total climate impact incl. outbound transportation	**7,315**	**8,146**	**7,270**	**7,570**	**–**

1) The increase in 2025 is primarily due to additional entities in Japan being included in the calculation compared to previous years.
2) The type of Scope 3 category according to the GHG Protocol is shown in parentheses.
3) Includes emissions from both direct and indirect packaging materials used in the manufacturing of products.
4) 3,491 tCO_2e relate to outbound transportation to distribution partners, and 563 tCO_2e to outbound transportation to subsidiaries and other internal transport.

Calculation methods

- Our emission calculations comply with the Greenhouse Gas Protocol (GHG) guidelines to ensure accuracy and standardization.
- During 2025, average carbon emissions per employee were 14 (16) tCO_2e/person excluding distribution, and 32 (38) tCO_2e/person including distribution.
- BioGaia uses 2019 as the base year for following up our emissions. The emission f actors used normally include greenhouse gases, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluoro-carbons and sulfur hexafluoride. More detailed information about the emission factors used is available on page 125.
- We apply the operational control approach as the consolidation approach for emissions as defined in the GHG Protocol Corporate Standard.

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Sustainable transportation

Materiality

Transportation accounts for the largest share of BioGaia's climate footprint, with more than half of total emissions linked to this category (see page 77). Most emissions stem from transporting products to external distribution partners, followed by deliveries to our subsidiaries, business travel and commuting.

Failing to transition toward more sustainable transport options could increase operational costs and create supply-chain risks, including stricter emissions regulations. Transportation-related impacts are managed through our Travel Directive, logistics recommendations to distribution partners, and ongoing evaluation of freight choices in our direct markets. We therefore continue to evaluate ways to reduce the climate impact associated with distribution and business travel, and to encourage lower-emission transport choices among our logistics partners where this is feasible.

Our approach and outcome 2025

Distribution

Most transportation-related emissions arise from moving products from manufacturing sites to external distributors. Because distribution partners typically choose transport modes themselves, BioGaia's influence over downstream freight is limited. However, we provide recommendations to support lower-emission choices and encourage a shift from air freight to sea freight where possible.

In 2025, BioGaia continued assessing opportunities to reduce emissions in direct markets, including the potential to replace selected air shipments with sea freight. Choosing sea transport over air can significantly reduce emissions, and these considerations remain part of our logistics planning.

Business travel

BioGaia's Travel Directive supports safe, cost-efficient and lower-emission travel, encouraging employees to prioritize rail over air and to plan trips with reduced climate impact in mind.

Our target is to reduce emissions from business travel by 30 percent per sales volume by 2030 compared to 2019. As travel has normalized following the pandemic, emissions have increased. In 2025, emissions from business travel amounted to 935 tCO_2e. When emissions are related to sales volume, climate intensity is approximately 50 percent lower than in 2019. We have therefore exceeded our target of a 30 percent reduction per sales volume compared to 2019.

At the same time, it is important to note that the reported trend is also affected by updated emission factors in accordance with DESNZ/BEIS for 2025, which have resulted in lower calculated emissions per trip compared to the previous year. However, the underlying travel patterns remain at a lower level than before the pandemic, adjusted for the company's sales growth and global expansion.

Commuting

BioGaia's flexible work model, introduced in 2021, allows employees to work from home up to two days per week, contributing to reduced commuting emissions over time. To further encourage sustainable commuting, BioGaia offers charging stations for electric vehicles, e-bikes and e-scooters at our office and production facility in Eslöv. In late 2024, BioGaia AB introduced an employee bicycle program, enabling permanent employees to acquire bicycles through a salary-sacrifice scheme, supporting low-carbon mobility and employee well-being.

Commuting emissions are monitored through an annual employee survey. In 2025, emissions decreased by approximately 8 percent compared to the previous year and amounted to 155 tCO_2e. The development is in line with the company's efforts to promote sustainable commuting habits and enable remote work up to two days per week, where operationally feasible.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Sustainable transportation	**3. Reduce relative climate emissions per sales volume from business travel by 30 percent compared to 2019.**	2030	In 2025, BioGaia achieved a 50 percent reduction in emissions per sales volume compared to 2019.	→ According to plan

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Sustainable packaging



Packaging also represents a relevant share of our Scope 3 emissions and plays a central role in protecting the viability of BioGaia's products and bacteria.

Stakeholders, including distributors, retailers, consumers and regulators, expect us to improve packaging sustainability performance while safeguarding product quality and shelf life. Packaging innovation is also of strategic importance for BioGaia, enabling product differentiation and strengthening in-store presence in competitive markets. As PPWR introduces stricter requirements on recyclability, material composition and waste reduction, BioGaia is preparing proactively for a more circular packaging landscape while balancing the technical constraints linked to moisture protection of our bacterial strains.

Lifecycle perspective and resource efficiency

Efficient resource use and reduced packaging waste are integral to our environmental work and support the transition to a more circular economy. Packaging represents a meaningful share of product-related climate impact, and additional impacts can arise if materials are not properly recycled at end-of-life. Our approach is grounded in lifecycle perspectives: a full lifecycle assessment (LCA) of ingredients and packaging, developed in line with ISO 14040/14044, remains central to evaluating material choices and improvement opportunities. The LCA framework continues to guide decisions across multiple environmental impact categories, and complementary analyses also include water use linked to bacteria production, strengthening the broader resource-efficiency perspective.

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Our approach and outcome 2025

BioGaia's strategy focuses on reducing the environmental impact of packaging without compromising product safety or stability. This work builds on certified materials, continuous recyclability improvements, increased use of lower-impact materials, and the integration of sustainability innovation and considerations into product development.



I Certified sustainably sourced materials for all our paper packaging

Last year, we reached our goal of ensuring that all paper packaging, including outer boxes, transport packaging and product leaflets, originate from certified responsibly managed forests or verified recycled materials. Moving on, this remains a recurring commitment, and ongoing monitoring ensures continued compliance throughout the supply chain.

II Recyclable packaging

A comprehensive recyclability assessment conducted by the htp-Cyclos Institute in 2024 established a clear baseline for packaging improvements. The results showed excellent recyclability for our paper packaging, good recyclability for our containers, and medium recyclability for our glass bottles. In 2025, we used these insights to guide targeted progress. Our primary efforts focused on identifying packaging improvements with the greatest potential to increase the recyclability of glass bottles. In parallel, we continued evaluating possible improvements for other packaging formats, including assessing alternative suppliers and design options, although technically viable solutions are not yet available for some formats (e.g. blisters). This is largely due to the high moisture protection required to ensure probiotic stability, which continues to limit certain lower-impact material choices. Work to identify feasible long-term solutions is ongoing.

III More sustainable materials

BioGaia Production plays a key role in advancing circularity and reducing packaging-related emissions. In 2025, the site introduced ISCC-certified mass-balanced plastic for all purchased containers[1], ensuring that an equivalent amount of 100 percent bio-based raw material is used in the production process and verified through an independent chain-of-custody system[2]. This shift significantly reduces emissions compared to traditional fossil-based plastics[3].

Operational improvements continued across packaging processes. Paper-based tape has replaced plastic tape and stretch film containing 51 percent recycled plastic is used for pallet stabilization. In the UK, our collaboration with Woola continued, replacing bubble wrap with surplus sheep wool for selected direct-to-consumer shipments[4]. These measures support waste reduction, promote renewable and recycled materials, and strengthen the circularity of our packaging processes.

IV Sustainability integrated in product development and procurement processes

Sustainability considerations are embedded in BioGaia's product development processes. The sustainability checklist introduced in 2022 was updated in 2025 to include more comprehensive assessments of circularity, recyclability, material impacts, supplier sustainability and alignment with future PPWR requirements. The updated checklist is now used early in supplier assessments, ensuring that packaging decisions integrate sustainability perspectives from the outset.

1) Container and lid excluding sticker and desiccant.
2) Mass balance is a chain-of-custody approach that allows for the tracking of certified raw materials through the production process. It ensures that certified and non-certified materials are mixed in a controlled way while maintaining a verifiable record of the sourced certified input.
3) The reduced environmental impact is based on BioGaia's own research and internal assessments.
4) The production of the wool is considered to have a minimal environmental impact since the wool would have been discarded if it had not been used by BioGaia. The manufacturing process for the wool has very few steps and has a very small environmental impact.

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Materials[2]

Materials used in tons	2025	2024	2023
Glass (tons)	203	185	225
Plastics – mainly PE (tons)	126	113	101
Paper (tons)	308	308	283
Aluminum (tons)	20	23	22

Recycled input materials used	2025	2024	2023
Recycled glass (tons)[1]	114	108	126
Recycled glass (%)	56%	58%	56%

Emissions from packaging materials[3]	2025	2024	2023
Emissions from the production of packaging materials (tons CO_2 equivalents)	984	875	836
Emissions, including end-of-life and transport	1,225	1,081	1,025
Grams CO_2 equivalent per dose	1.4	1.2	1.2
Grams CO_2 equivalent per dose, including end-of-life and transport	1.7	1.5	1.5

1) Container and lid excluding sticker and desiccant.
2) The data is based on sales. Waste generated during production is not included. Data includes primary and secondary packaging as well as packaging used in intermediate processes.
3) The calculated emissions include primary and secondary transport packaging. Additional packaging materials used in handling the products during shipment, such as pallets and stretch film, are not included due to insufficient available data. For further information about the emissions calculations, refer to the section "Included emission sources for calculated greenhouse gas emissions" on page 125.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Sustainable packaging	**4. All paper packaging used in our production and in new product launches should continue to be certified from responsibly managed forests or consist of verified recycled material.**	Recurring	All BioGaia's contract manufacturers' paper packaging comes from certified responsibly managed forests including paper box, shipper packaging and leaflet.	✓ Achieved
	5. By 2030, ensure all packaging meets or exceeds recyclability or other sustainable end-of-life criteria, such as biodegradable solutions where feasible, without compromising product stability for probiotics.	2030	We continued to identify and advance targeted packaging improvements to increase recyclability without compromising probiotic stability during the year.	→ According to plan
	6. BioGaia aims to identify new packaging solutions that reduce our climate impact per dose and prioritize packaging solutions that minimize environmental impact.	Recurring	In 2025, we successfully transitioned to ISCC-certified 100 percent mass-balanced plastic for all product containers[2] filled at BioGaia Production and continued progress on more sustainable packaging processes.	→ According to plan
	7. Sustainability aspects must be continuously evaluated in product development projects and when procuring packaging solutions.	Recurring	BioGaia enhanced and expanded the sustainability checklist for product development in 2025, to include more comprehensive sustainability assessment criteria and alignment with the future PPWR requirements.	→ According to plan

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Sustainable raw materials

Materiality

Raw materials are central to BioGaia's environmental and social impact.

Manufacturing of ingredients accounts for roughly 10 percent of BioGaia's total climate emissions, and sourcing decisions also influence risks related to deforestation, biodiversity loss, labor conditions and water use. It is therefore essential that we select ingredients with lower environmental impact and place clear sustainability expectations on our suppliers and sub-suppliers.

BioGaia's Code of Conduct and Global Policies guide responsible sourcing and require suppliers to uphold environmental standards, human rights and ethical business conduct. For suppliers in higher-risk countries, third-party sustainability audits such as SMETA assessments are required. These structures also support compliance with emerging regulations such as the EU Deforestation Regulation (EUDR), while aligning with our broader sustainability commitments.

Our approach

Lifecycle assessment results have shown that palm oil has the highest combined environmental and social impact among BioGaia's ingredients. Reducing and ultimately eliminating its use is therefore one of our most important actions to lower raw-material-related emissions and broader sustainability risks. Based on earlier lifecycle analysis, fully removing palm oil from BioGaia's products is estimated to reduce emissions by more than 150 tonnes of CO_2e annually.

We are phasing out the use of palm oil as an ingredient in our products, and the transition to these new alternatives continues globally. Because we operate in more than 100 markets, exchanging formulations requires navigating diverse regulatory approval processes and longer lead times from authorities. To avoid unnecessary waste, already-approved products are not discarded during the transition.

Outcome 2025

In 2025, 65 percent of drops and 79 percent of tablets sold were palm-oil-free. For the limited volumes where palm oil is still used as an ingredient during the transition period, BioGaia purchases RSPO Book & Claim credits from certified independent smallholders, ensuring that the remaining use supports more sustainable palm-oil production. BioGaia's palm-oil goal has been updated to reflect regulatory constraints and approval timelines in specific markets. At the same time, our ambition remains to fully transition away from palm oil where possible and where the regulatory environment allows.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Sustainable raw materials	**8. One hundred percent of all BioGaia products released for sale shall be free from palm oil in the ingredient list, except in markets where regulatory constraints or delayed regulatory approvals apply.**	2027	In 2025, the amount of palm oil in the tablets and oil drops sold further decreased as part of our ongoing phase-out efforts.	→ According to plan

Climate emissions[1]

Emissions from ingredients	2025	2024	2023	2022
Tons CO_2 equivalents	727	776	745	850
Grams CO_2 equivalent per dose	1.0	1.1	1.1	1.2

1) For further information about the emissions calculations, refer to the section "Included emission sources for calculated greenhouse gas emissions" on page 125.

Status for phasing out palm oil in products[2]

Total sales of palm oil-free products during the year	2025	2024	2023
Amount of tablets sold without palm oil vs total tablets sold (%)	79%	68%	66%
Weight of palm oil as a percentage of total weight of sold drops	17%	22%	33%
The amount of drops sold without palm oil vs total drops sold (%)	65%	47%	30%

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

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Water use in operations and the value chain

Although water use is not a material sustainability topic for BioGaia, we continue to monitor and manage it as part of our broader environmental stewardship. Water consumption in our direct operations remains very low.

At the Eslöv production facility, water is used primarily for cleaning processes, with total annual consumption amounting to approximately 599,000 liters, comparable to roughly what a small apartment building in Sweden uses in a year.

All water is treated and safely returned to the municipal system, and the site is located in a low-risk water area, as confirmed by the WWF Water Risk Filter. Cleaning processes use only hot water to avoid chemical contamination and minimise environmental impact.

In the upstream value chain, water use is more relevant, particularly in the production of probiotic cultures. To manage these impacts, BioGaia evaluates suppliers through environmental management criteria embedded in our Sustainable Raw Materials and Responsible Third Parties processes. Certifications such as SMETA/SEDEX and EcoVadis contribute to verifying suppliers' environmental practices. Based on supplier estimates, the production of our most water-intensive ingredient uses approximately 4 million liters of water annually. These facilities are also located in low water-risk areas, reducing the likelihood of contributing to local water scarcity.

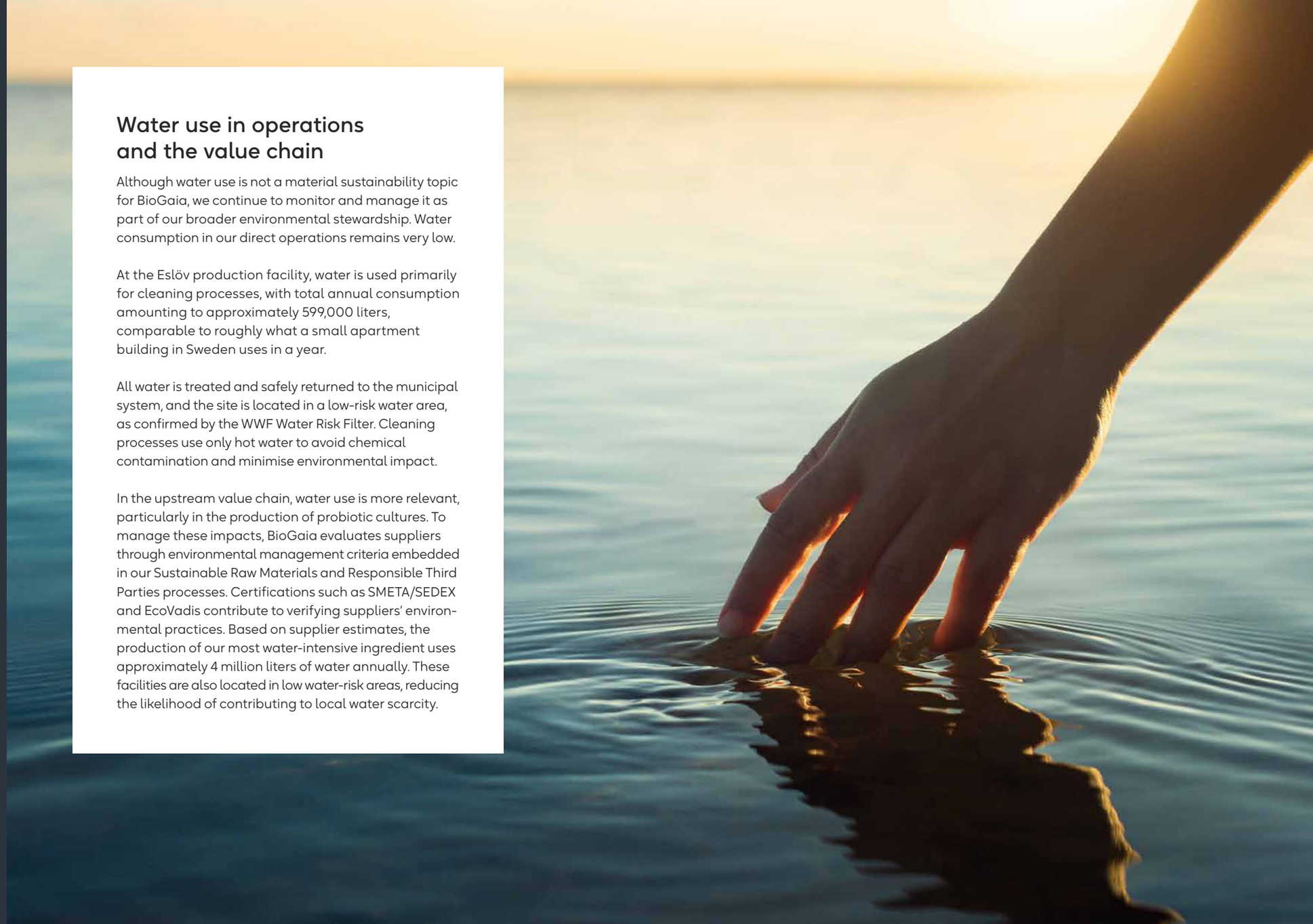


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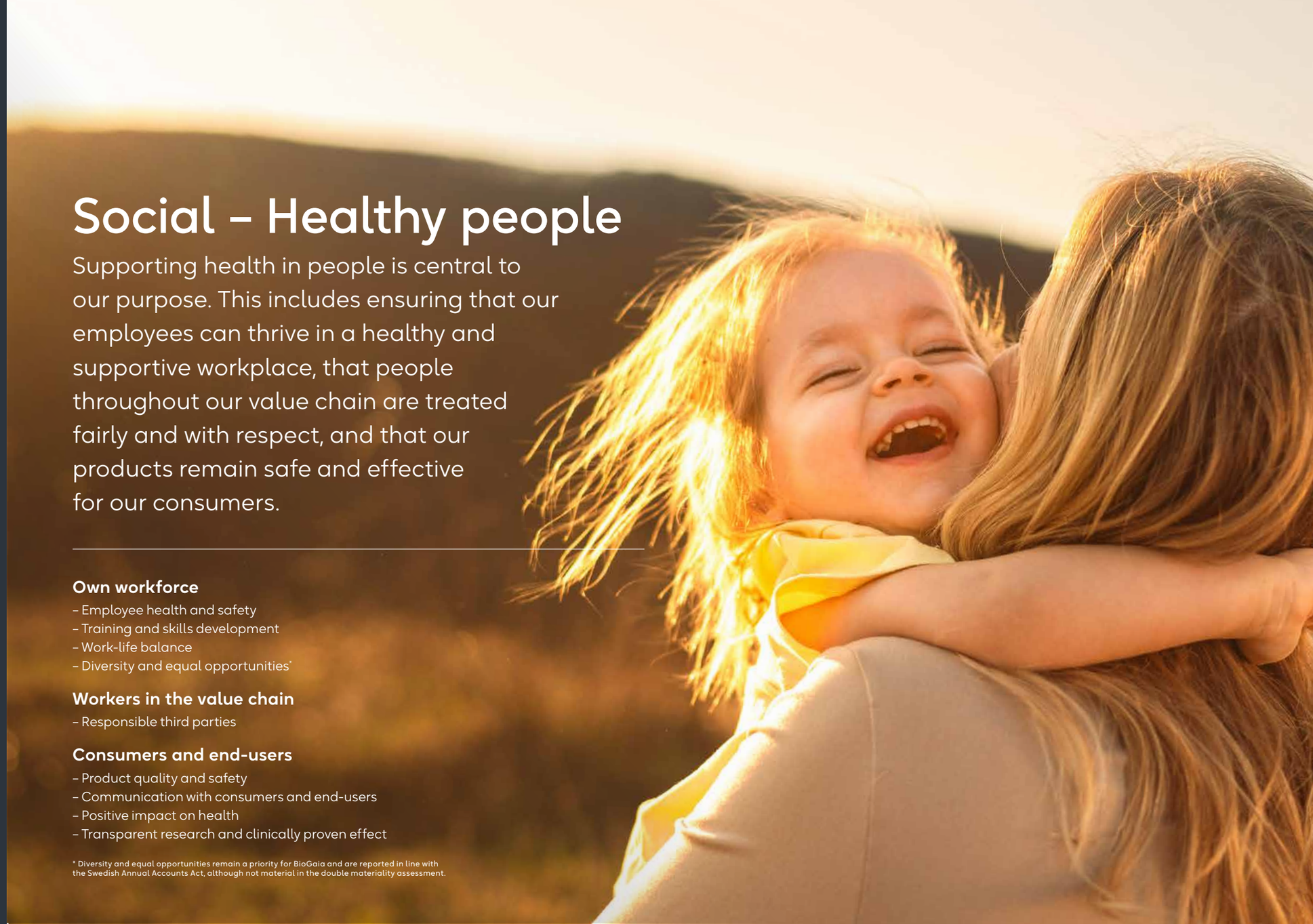
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Social – Healthy people

Supporting health in people is central to our purpose. This includes ensuring that our employees can thrive in a healthy and supportive workplace, that people throughout our value chain are treated fairly and with respect, and that our products remain safe and effective for our consumers.

Own workforce

- Employee health and safety
- Training and skills development
- Work-life balance
- Diversity and equal opportunities*

Workers in the value chain

- Responsible third parties

Consumers and end-users

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

* Diversity and equal opportunities remain a priority for BioGaia and are reported in line with the Swedish Annual Accounts Act, although not material in the double materiality assessment.

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Employee health and safety



Materiality

Our double materiality assessment identifies psychosocial well-being, workplace stress and production-related physical risks as the most relevant issues for our workforce.

Although accidents are rare, unmanaged stress or inadequate safety routines may affect health, increase absenteeism and disrupt important work. The Global People Policy, updated in 2025, guides our commitments to physical safety, mental well-being and a work environment where everyone can thrive.

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Our approach

Health and safety in BioGaia's operations

Health and safety governance is managed through BioGaia's Safety Committee, which brings together representatives from both management and employees. The Committee meets regularly to review risks, follow up on incidents and strengthen preventive measures. Employees are offered a range of health-related benefits, including wellness contributions, regular medical examinations, supplementary health insurance, salary coverage from the first day of sick leave, counselling services, occupational health support and enhanced insurance coverage during distance working[1]. Psychosocial well-being is monitored through anonymous pulse surveys, manager–employee dialogues and regular performance discussions. We also work proactively with psychosocial risk factors – including workload, role clarity and work planning – through regular team dialogues and structured manager support.

BioGaia Production, where most physical risks occur, applies structured routines to prevent injuries and support ergonomic working methods. This includes mandatory training in chemical and machinery handling, daily safety inspections, task rotation and continuous equipment improvements. Health and safety representatives meet twice per year to review incidents and discuss any needed corrective actions. An earlier SMETA audit confirmed that BioGaia Production's health and safety routines align with recognized industry practice.

Secure employment

Although not identified as a standalone material topic, secure employment contributes to a psychologically safe working environment. Employment stability reduces stress, supports well-being and helps prevent the negative health effects associated with uncertainty at work. Our employees primarily work in regions with strong protection for freedom of association and collective bargaining, and all employees at BioGaia Production are covered by collective bargaining agreements. In Sweden, where most of our employees are based, structural employment risks are generally low, but concerns may arise in connection with organizational changes or temporary contracts. We work with transparent communication, early dialogue and predictable planning to help employees feel confident in their roles and secure in their continued employment at BioGaia.

Health and safety in the supply chain

For contract manufacturers and other external suppliers, we require adherence to our Supplier Code of Conduct, which includes expectations on safe, fair and legally compliant working conditions. Through BioGaia's SEDEX membership, we monitor third-party social audits, including assessments of health and safety practices. When deviations are identified, we follow up and work with suppliers to ensure improvements as part of our broader supplier-management approach.

1) These benefits are primarily offered to employees of BioGaia AB. Local variations may apply for employees outside of BioGaia AB.

Outcome 2025

Sickness leave at BioGaia AB amounted to 1.9 percent in 2025 (2024: 1.2 percent). No work-related injuries resulting in absence were reported across the BioGaia Group in 2025, compared with one lost-time injury in 2024. Continued focus on safety routines, proactive psychosocial-risk management, task rotation and preventive measures supported stable health and safety performance throughout the year.

Sick leave

Short and long-term sick leave	2025	2024	2023
BioGaia AB	1.9%	1.2%	1.6%
Men	0.7%	0.4%	1.0%
Women	2.5%	1.7%	2.0%

Work-related injuries[1]

Work-related injuries across BioGaia Group	2025	2024	2023	2022
Number of lost time incidents (LTI[2]))	0	1	0	0
Number of incidents per 1,000,000 working hours (LTIF[3]))	0	4.1	0	0
Degree of seriousness (days of absence per LTI)	0	60	0	0

1) Number of incidents. BioGaia Group has never had a fatal accident.
2) Lost Time Incident (LTI) is an incident that results in loss of working hours.
3) Lost Time Incident Frequency (LTIF): (LTI × 1,000,000)/(average number of employees × 2,080 hours).

	GOAL	TARGET YEAR	PROGRESS	STATUS
Employee health	**1. No physical injuries in the operation.**	Recurring	No work-related incidents resulting in sick leave were reported within the BioGaia Group in 2025. This reflects continued focus on preventive safety routines and proactive management of health and safety risks across operations.	√ Achieved

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Training and skills development

Materiality

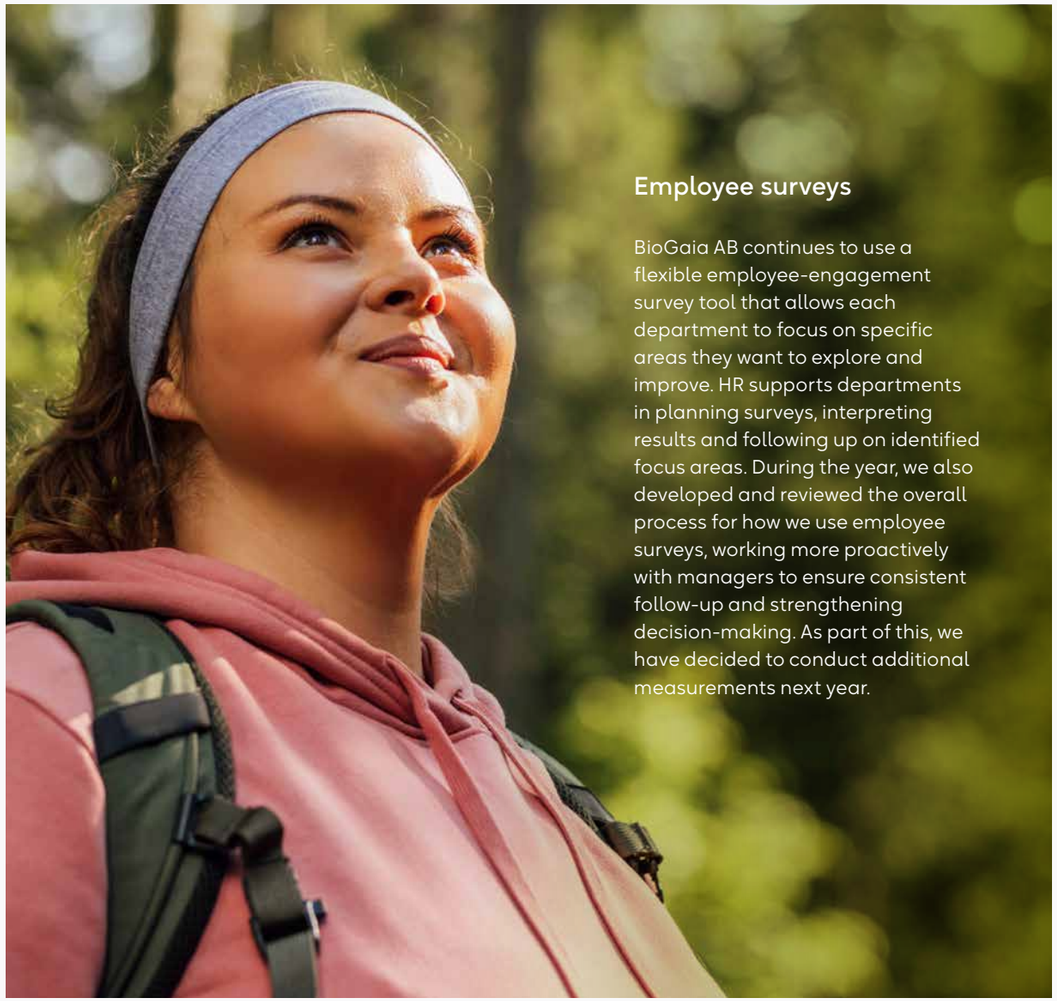
BioGaia's long-term success depends on attracting, developing and retaining talented people. Opportunities for learning and career growth are essential for maintaining an engaging work environment and ensuring that we have the skills needed to drive innovation.

Limited development opportunities can reduce motivation and create skill gaps, while strategic investment in learning strengthens employee commitment, performance and organizational resilience. Succession planning is also an important part of building long-term capability and ensuring continuity in key roles.

Our approach

All employees at BioGaia AB participate in annual performance reviews that set clear and actionable development goals, including training needs for the coming year. In 2025, we continued strengthening the connection between individual development plans and our business strategy to ensure stronger alignment between capability building and organizational needs.

As part of this work, we began improving and clarifying the structure of career paths within the organization, an important step toward supporting internal mobility and meeting future EU pay-transparency requirements. To increase transparency and help employees understand how they can influence their salary development, we created a new page on our company intranet with clear information about the annual salary review process. During the year, we also launched a Leadership Forum, a platform for managers to share experiences, reflect and develop in their leadership roles.



Employee surveys

BioGaia AB continues to use a flexible employee-engagement survey tool that allows each department to focus on specific areas they want to explore and improve. HR supports departments in planning surveys, interpreting results and following up on identified focus areas. During the year, we also developed and reviewed the overall process for how we use employee surveys, working more proactively with managers to ensure consistent follow-up and strengthening decision-making. As part of this, we have decided to conduct additional measurements next year.

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Outcome 2025

In 2025, BioGaia conducted one company-wide survey to track key engagement metrics. Results were shared across the organization and discussed at both strategic and operational levels. The participation rate was 87 percent, and results remained strong overall, with engagement at 79 (benchmark 76) and work environment at 79 (benchmark 77). The biggest improvement was the employee net promoter score (eNPS), which increased from 26 to 39 (benchmark 18), reflecting a strengthening company culture built on collaboration, trust and shared purpose.

The employee net promoter score (eNPS), increased from 26 to 39, reflecting a strengthening company culture built on collaboration, trust and shared purpose.

Percentage of employees receiving regular performance and career development reviews

	2025			2024			2023			2022		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
BioGaia AB (total)	92% (111*)	93% (43)	91% (68)	96% (117*)	100% (46)	92% (70)	96% (102)	95% (40)	97% (62)	96% (85)	97% (29)	95% (56)
Employees with permanent contracts	92% (111)	93% (43)	91% (68)	96% (115)	100% (46)	93% (69)	97% (102)	95% (40)	98% (62)	96% (85)	97% (29)	95% (56)
Employees with temporary contracts	0% (0)	0% (0)	50% (1)	50% (1)	0% (0)	50% (1)	0% (0)	0% (0)	0% (0)	– (0)	– (0)	– (0)
Full-time employees	91% (107)	93% (41)	94% (68)	97% (112)	100% (44)	94% (68)	97% (101)	98% (39)	97% (62)	95% (84)	97% (29)	95% (55)
Part-time employees	100% (4)	100% (2)	50% (2)	67% (4)	100% (2)	50% (2)	50% (1)	50% (1)	0% (0)	100% (1)	– (0)	100% (1)

– All employees of BioGaia AB were offered a performance review during the period. Some employees did not complete their review due to individual circumstances.
– The percentage shows the share of employees who completed a performance review out of all those offered one during the period.
– Data in parentheses refers to the number of employees who completed a performance review during the period.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Training and skills-development	**2. At least 90 percent of our employees should have completed a performance review.**	Recurring	During the year, we strengthened the link between performance reviews and individual development plans, while clarifying career paths and supporting managers in their leadership roles.	→ According to plan

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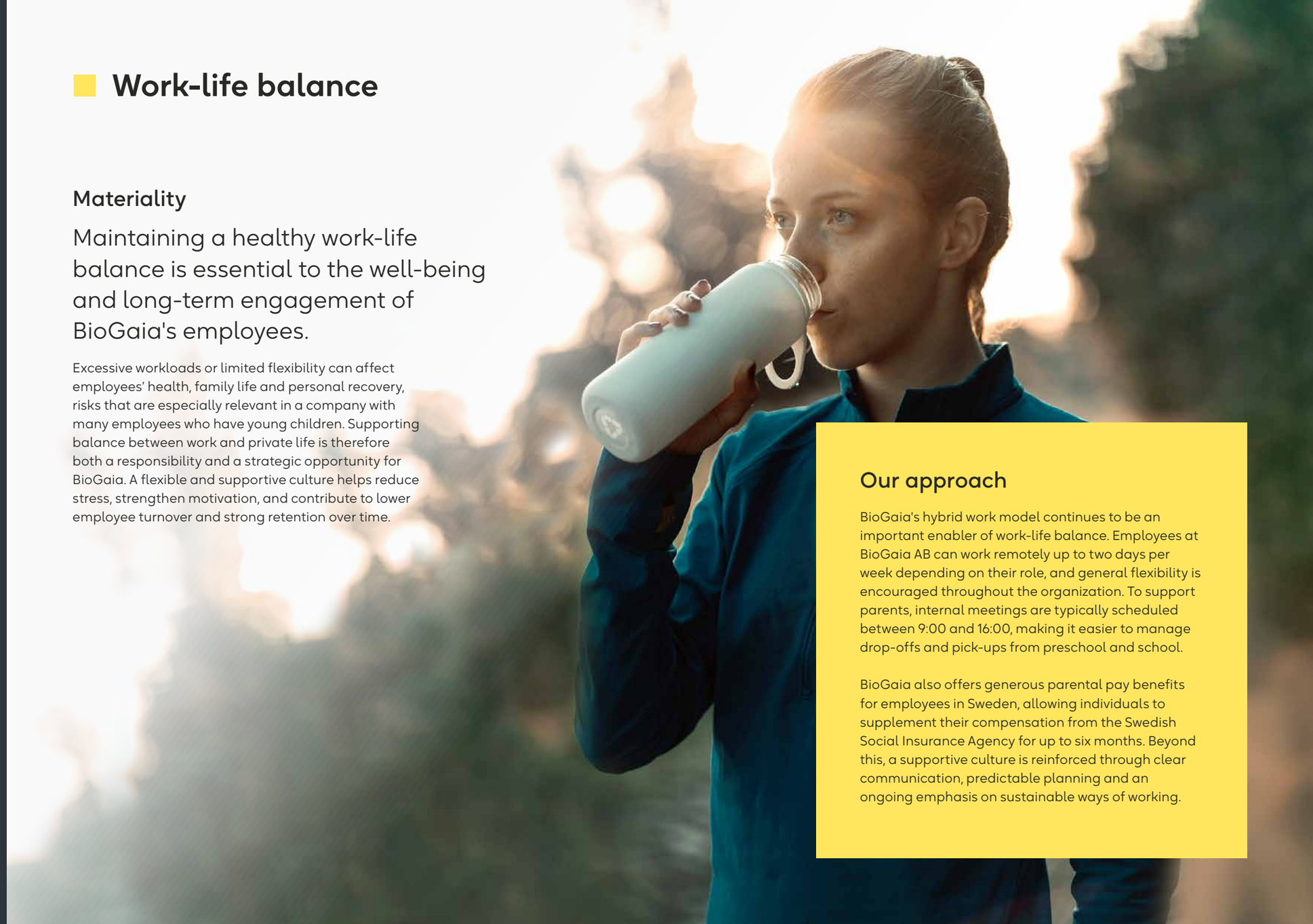
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Work-life balance

Materiality

Maintaining a healthy work-life balance is essential to the well-being and long-term engagement of BioGaia's employees.

Excessive workloads or limited flexibility can affect employees' health, family life and personal recovery, risks that are especially relevant in a company with many employees who have young children. Supporting balance between work and private life is therefore both a responsibility and a strategic opportunity for BioGaia. A flexible and supportive culture helps reduce stress, strengthen motivation, and contribute to lower employee turnover and strong retention over time.



Our approach

BioGaia's hybrid work model continues to be an important enabler of work-life balance. Employees at BioGaia AB can work remotely up to two days per week depending on their role, and general flexibility is encouraged throughout the organization. To support parents, internal meetings are typically scheduled between 9:00 and 16:00, making it easier to manage drop-offs and pick-ups from preschool and school.

BioGaia also offers generous parental pay benefits for employees in Sweden, allowing individuals to supplement their compensation from the Swedish Social Insurance Agency for up to six months. Beyond this, a supportive culture is reinforced through clear communication, predictable planning and an ongoing emphasis on sustainable ways of working.

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Outcome 2025

Employee turnover at BioGaia AB was 9.8 percent in 2025, compared with 5.74 percent in 2024. The result reflects natural departures as well as recruitment to strengthen key competencies. A full breakdown of turnover by gender and age group is presented in the tables below.

Parental leave data for 2025, including the proportion of employees who took parental leave, their return-to-work rates and retention rates 12 months after returning, is presented in the table to the right.

Parental leave

	2025			2024		2023	
Parental leave at BioGaia AB[1]	Total	Men	Women	Men	Women	Men	Women
Number of employees entitled to parental leave	102	35	67	46	76	44	69
Number of employees who took parental leave	5	3	2	3	4	7	2
Number of employees who returned to work during the reporting period after parental leave, by gender	5	3	2	2	3	4	1
Number of employees who returned to work after parental leave and remained employed 12 months later	3	1	2	1	2	2	3
Retention rate for employees who took parental leave	60%	33%	100%	50%	67%	67%	60%

1) All employees with children under 8 years old have the right to parental leave. As of 2024, the methodology for calculating the retention rate has been adjusted. Figures for 2023 are therefore not fully comparable.

New employee hires and employee turnover

New employees[1]	2025	2024	2023	2022
BioGaia AB	11	10	11	13
Men	36% (4)	30% (3)	27.3% (3)	77% (10)
Women	64% (7)	70% (7)	72.7% (8)	23% (3)
<30 years old (%)	9% (1)	0% (0)	36.0% (4)	8% (1)
30–50 years old (%)	91% (10)	50% (5)	36.0% (4)	77% (10)
>50 years old (%)	0% (0)	50% (5)	27.0% (3)	15% (2)

1) Numbers of new employees in parentheses.

Employee turnover[1]	2025	2024	2023	2022
BioGaia AB	9.8% (10)	5.7% (6)	8.9% (10)	9.7% (10)
Men	3.9% (4)	1.0% (1)	1.8% (2)	8.7% (9)
Women	5.9% (6)	4.8% (5)	7.1% (8)	1.0% (1)
<30 years old (%)	0.0% (0)	0.0% (0)	2.7% (3)	0% (0)
30–50 years old (%)	9.8% (10)	3.8% (4)	3.5% (4)	6.8% (7)
>50 years old (%)	0.0% (0)	1.9% (2)	2.7% (3)	2.9% (3)

1) Numbers of employees in parentheses. 2) The distribution by gender and age is calculated as a share of total employee turnover, based on the number of individuals within each respective group.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Work-life balance	**4. People managers to actively promote work-life balance by supporting task prioritization and flexible work options according to our employee policies.**	Recurring	We continued to support work-life balance through flexible work arrangements where roles allow, clear meeting practices and manager-led task prioritization in line with employee policies.	→ According to plan

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Diversity and equal opportunities

Materiality

At BioGaia, we know that a diverse and inclusive workplace helps us understand the world better and develop solutions that meet the needs of our consumers globally. When different backgrounds and perspectives come together, we make better decisions, avoid groupthink, and create a culture where people feel motivated, respected and able to grow.

While the risks linked to diversity are not as immediate or severe as those related to physical and psychological safety, this topic remains highly important for our long-term success. Inclusion strengthens engagement, retention and innovation, all of which are essential for a science-driven company like ours.

Our approach

BioGaia's work is guided by the Global People Policy, which sets out clear commitments to equal opportunities regardless of gender, gender identity or expression, ethnicity, nationality, sexual orientation, religion or belief, age, disability or other characteristics protected by law. We want everyone at BioGaia to have fair opportunities to develop based on skills, experience and contributions.

We actively promote gender balance across functions and leadership roles, and our recruitment processes are designed to be transparent, inclusive and accessible. Harassment, discrimination and retaliation are never tolerated, and employees can report concerns safely through BioGaia's confidential whistleblower channel.

To help ensure fair treatment, we regularly review pay patterns across BioGaia AB and address any unexplained differences. BioGaia's managers play a key role in building an environment where people feel included and supported – through open dialogue, feedback and everyday behaviors. At BioGaia AB, gender-neutral restroom facilities have been in place since 2024 as part of our commitment to being a welcoming and inclusive workplace.

Outcome 2025

In 2025, we continued implementing the Group-wide Action Plan for equal opportunities introduced in 2024. We launched a new Equal Opportunity, Inclusion & Diversity page on our company intranet, providing clearer guidance on expected behaviors, how BioGaia's values should be reflected in daily work, and what employees can do if they experience or witness discrimination or harassment. To reinforce awareness, employees were asked to review the page together with the People Policy and the Global Action Plan, followed by a short quiz. The initiative supported our broader efforts to strengthen understanding, accountability and everyday inclusion across the organization.

A key focus during the year was also further developing the process that supports managers in assessing performance using BioGaia's salary criteria, helping to strengthen consistency across the organization and ensure fair, equitable outcomes in the annual salary review.



BioGaia was again included on AllBright's green list in 2025, recognizing our ongoing work to maintain gender-balanced leadership and inclusive practices. Gender distribution in leadership remained balanced (50% women, 50% men over the year).

Detailed data on gender and age distribution for BioGaia AB, the BioGaia Group and governing bodies is presented on page 97.

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Employees

Gender distribution - Average number of employees	2025			2024			2023		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
BioGaia group	232	101	131	217	96	121	213	91	122
BioGaia AB[1]	102	36	66	106	40	66	113	43	70
Subsidiaries									
Sweden	36	27	9	35	26	9	31	20	11
Japan	38	18	20	35	15	20	35	14	21
US	33	12	21	31	11	20	28	10	18
Finland	3	0	3	3	0	3	2	0	2
Canada	5	3	2	4	2	2	3	2	1
UK	4	1	3	2	1	1	1	1	0
Australia	3	1	2	2	1	1	-	-	-
France	1	0	1	-	-	-	-	-	-
Germany	1	1	0	-	-	-	-	-	-

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

BioGaia AB – headcount at year-end per employment type	2025			2024			2023			2022		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total employees at end of year	102	35	67	122	46	76	135	44	69	109	41	68
Employees with permanent contracts	101	35	66	120	46	74	112	44	68	108	41	67
Employees with temporary contracts	1	0	1	2	0	2	1	1	0	1	0	1
Full-time employees	98	33	65	116	44	72	111	42	69	108	41	67
Part-time employees	4	2	2	6	2	4	2	2	0	1	0	1

From 2025 onwards, employees in BioGaia's direct markets are no longer included in BioGaia AB.

Number of employees at year-end by country (headcount)	2025	2024	2023	2022
Sweden	137	143	135	142
Japan	40	35	35	35
US	39	32	29	26
UK	5	2	1	1
Singapore	3	3	3	3
Finland	3	3	2	2
Mexico	1	1	1	1
Canada	6	4	3	1
Australia and New Zealand	3	2	-	-
Germany	2	-	-	-
France	2	-	-	-
South Africa	1	1	-	-

Diversity of governance bodies and employees

Age distribution	2025		2024		2023		2022	
	Board of Directors	Executive Management	Board of Directors	Executive Management	Board of Directors	Executive Management	Board of Directors	Executive Management
BioGaia AB – total	7	7	8	8	8	8	9	8
<30 years of age	0	0	0	0	0	0	0	0
30–50 years of age	2	2	3	3	3	3	4	3
>50 years of age	5	5	5	5	5	5	5	5

The age distribution shows a snapshot as of 31 December 2025. In January 2026, one executive management member joined in the 30–50 age range.

Gender distribution	2025		2024		2023		2022	
	Men	Women	Men	Women	Men	Women	Men	Women
BioGaia AB – Board	43%	57%	50%	50%	50%	50%	67%	33%
BioGaia AB – Executive Management	43%	57%	50%	50%	50%	50%	50%	50%
BioGaia AB – all employees	35%	65%	39%	61%	38%	62%	37%	63%
BioGaia Group	44%	56%	44%	56%	43%	57%	41%	59%

The gender distribution shows a snapshot as of 31 December 2025. As of January 2026, the executive management distribution remains 50/50.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Diversity and equal opportunities	**3. Ensure that BioGaia's recruitment processes are designed to be fair, inclusive, and welcoming to candidates from a wide range of backgrounds, experiences, and perspectives.**	Recurring	In 2025, we continued our efforts to promote fair and inclusive recruitment and people processes through guidance, transparency and awareness across the organization, recognized through continued inclusion on AllBright's green list.	→ According to plan

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Responsible third parties

Materiality

Most of our social and environmental impact occur upstream and downstream in the value chain, making responsible business conduct among suppliers and partners essential. Clear expectations, close collaboration, and systematic monitoring help us reduce risks while contributing to fair working conditions and responsible practices among suppliers and business partners.

While BioGaia works primarily with long-term partners in regions with strong labor protections, the global nature of the supply chain means that risks such as inadequate working conditions, lack of oversight, or non-compliance with labor standards can still occur. These risks are considered highly material due to their potential impact on workers and on BioGaia's ability to maintain product quality, continuity, and trust. We also rely on a relatively small group of key suppliers – some of whom are significantly larger than us – making long-term, trust-based partnerships essential for stability and continuity. Fair payment practices, reliable communication and predictable planning are therefore integral parts of responsible supplier management.

Our approach

We require all suppliers and partners to meet standards of responsible business conduct aligned with BioGaia's values and global expectations on labor rights, human rights, and anti-corruption.

This includes compliance with relevant laws, ILO core conventions, and anti-bribery regulations such as the UK Bribery Act and the U.S. Foreign Corrupt Practices Act.

BioGaia's Supplier Code of Conduct and the Partner Code of Conduct form the basis of these expectations and are included in all new contracts with ingredient suppliers, analytical service providers, contract manufacturers and distribution partners. All parties must commit to maintaining safe working conditions, respecting freedom of association, avoiding discrimination, and upholding fair wages and working hours. BioGaia maintains a zero-tolerance stance on forced labor, child labor or trafficking.

Through BioGaia's SEDEX membership, we review suppliers' sustainability performance, including labor conditions, environmental management, and business ethics. Suppliers in sensitive industries, higher-risk regions or with significant roles in BioGaia's production are expected to provide independent third-party sustainability audits based on recognized standards such as SMETA, BSCI, EcoVadis, Fairtrade or FSC. Our sustainability and procurement teams review findings and follow up on any identified issues.

We also maintain a confidential whistleblower channel for reporting potential violations of our Code of Conduct or global policies, available to all workers in the value chain. In addition to formal monitoring, we prioritize open and continuous dialogue with suppliers to resolve emerging issues early, support collaboration and maintain stable long-term relationships.

Responsible suppliers

BioGaia works with a small group of specialized suppliers, many of whom have partnered with us for over a decade. This long-term collaboration strengthens our ability to influence sustainability practices and monitor performance effectively. Because several key suppliers are significantly larger companies, maintaining strong relationships and applying fair payment practices help ensure continuity and reduce the risk of disruptions.

Contract manufacturers are primarily located in Europe and are assessed regularly through SEDEX and through third-party audits. In 2025, third-party audit coverage remained high among major manufacturers, and all were assessed as low risk according to SEDEX risk indicators. One newly onboarded manufacturer will undergo a full SEDEX onboarding and assessment process in 2026.

Ingredient suppliers continue to demonstrate strong sustainability performance through independent certification. Approximately 70 percent hold high EcoVadis ratings (30 percent, Platinum and remaining hold Silver), reflecting robust environmental and social management.

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To further support stable supplier relationships, BioGaia adheres to agreed payment terms, avoids unnecessary delays and maintains predictable planning cycles. Open dialogue is prioritized to build mutual trust and strengthen long-term collaboration.

Responsible partners

BioGaia's distribution partners are responsible for ensuring that BioGaia's products meet all local regulatory requirements and are marketed in line with our scientific evidence. To safeguard our brand and consumer trust, all distribution partners must sign the Partner Code of Conduct or provide an equivalent version. For new partners, BioGaia conducts business-ethics and anti-corruption due diligence through an external provider. In 2025, one such assessment was completed to confirm alignment with our standards for ethical conduct and regulatory compliance.

Outcome 2025

By the end of 2025, all contract manufacturers, analytical service providers and key ingredient suppliers had signed our Code of Conduct or provided an equivalent version. A significant share of ingredient suppliers continued to demonstrate strong sustainability performance, with 100 percent holding valid third-party assessments such as EcoVadis Platinum or Silver ratings. Among our contract manufacturers, 71 had completed recent third-party sustainability audits, and all were assessed as low risk through the SEDEX risk-assessment tool.

During the year, BioGaia also performed business-ethics and anti-corruption due-diligence reviews for prospective distribution partners. No supplier- or partner-related concerns were raised through the whistleblower system in 2025.

Across our supplier base, collaboration remained stable, supported by timely payments, predictable planning and open dialogue – further strengthening long-term relationships and reducing the risk of operational disruption.

Key suppliers that have signed the Code of Conduct[1]

	2025	2024	2023	2022
Contract manufacturers and culture suppliers	100%	100%	100%	100%
Analytical services	100%	100%	100%	100%

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

Suppliers with third-party verified sustainability assessment[1]

	2025	2024	2023
% suppliers of input goods to BioGaia AB	71%	71%	75%
% new supplier or sub-suppliers of raw materials (packaging or ingredients) in high-risk countries	NA[2]	NA[2]	100%

1) Approved audit means an audit by/in accordance with BSCI, EcoVadis, SEDEX, SMETA, etc. or certification such as FSC, EU-Ecolabel, Fairtrade.
2) No new suppliers of ingredients from high-risk regions have been introduced during the year.

Distributors that have signed the partner Code of Conduct[1]

	2025	2024	2023	2022
Distribution partners that have signed the Code of Conduct during the year	100%	100%	100%	98%
New distribution partners in high-risk countries assessed for legal risks and risks related to business ethics	100% (1)	100% (4)	100% (4)	100%

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

	GOAL	TARGET YEAR	PROGRESS	STATUS
Responsible third-parties	**5. Ensure that key suppliers and distributors have signed and comply with BioGaia's Code of Conduct.**	Recurring	We continued to ensure that key suppliers and distributors were covered by and committed to the Supplier Code of Conduct and Partner Code of Conduct, supported by ongoing monitoring, third-party assessments and dialogue.	→ According to plan

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Product quality and safety

Materiality

Ensuring the quality and safety of our products is fundamental to protecting consumer health and maintaining trust in BioGaia. Inadequate quality standards could lead to product recalls, regulatory actions, or reputational damage, which is why product safety remains our top priority.

We implement robust quality control processes to ensure the highest quality and safety standards are consistently met. Delivering high and consistent product quality ensures safety, efficacy, and a positive consumer experience, and is therefore central to our business model and mission. These standards also support the stability and long shelf life of BioGaia's probiotic products, which depend on maintaining viable bacteria throughout the product's lifetime and represent an important element of BioGaia's competitive strength.

BioGaia maintains direct control over product quality during manufacturing and through direct sales via our e-commerce platforms. For products distributed by partners, BioGaia exercises contractual indirect control after delivery to distributors and resellers, ensuring quality compliance throughout the supply chain.

All products developed and sold by BioGaia adhere to the BioGaia Quality Standard (BQS), which integrates applicable food regulations, good manufacturing practices, scientific criteria, and international standards for probiotics – including WHO and ISAPP (International Scientific Association for Probiotics and Prebiotics) guidelines. Our fulfilment of ISAPP criteria is summarized in the Criteria for Probiotics and BioGaia's Assessment of Level of Compliance table on page 108.

We implement robust quality control processes to ensure the highest quality and safety standards are consistently met.



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Our approach

Product development

Our product development follows a structured process ensuring that every product contains a clinically tested dose, meets consumer needs, and aligns with our quality and sustainability criteria. This includes careful selection and qualification of ingredients, packaging materials, and manufacturing methods. Products are only released once all internal and regulatory requirements have been fulfilled. We continuously monitor scientific developments and regulatory changes to adjust and improve formulations when needed. Any ingredient or product changes are introduced in a controlled manner to ensure our products maintain consistent quality.

Quality Management System

Our Quality Management System ensures consistent application of the BQS across the entire value chain. A key component is HACCP (Hazard Analysis and Critical Control Points), a preventive and systematic food-safety approach used to identify and control biological, chemical, physical, and allergen-related hazards. Critical points are managed through defined control measures, testing and monitoring. The effectiveness of our Quality Management System is regularly evaluated, and findings are presented to the Executive Team to identify and decide on improvements.

Quality control during manufacturing

Regular production controls are carried out at both BioGaia Production and contract manufacturers. These include standardized processes and protocols including: raw material inspections for each batch before approval for production, monitoring of quality parameters during production, and analysis of finished products - including quantifying and confirming the correct identity of the probiotic bacteria and safety tests. Testing is performed either in our in-house laboratories or by accredited third-party laboratories. All non-conformances are investigated and addressed as needed to prevent recurrence. Only batches that meet all specifications are released to the market. Complaints or other feedback from the markets is thoroughly reviewed and addressed as needed.

Permits and certifications

All BioGaia products are manufactured in facilities operating under certified Quality Management Systems. BioGaia Production and our contract manufacturers are authorized to produce food products and are certified according to relevant Good Manufacturing Practice (GMP) standards. Certifications include ISO 22000, US FDA 21 CFR Part 111 (GMP for dietary supplements) and/or GMP for pharmaceuticals (where applicable). These certifications ensure that compliance with quality standards is routinely verified by independent authorities or accredited auditors.

Supplier and manufacturer evaluation

We maintain a structured program for qualifying and monitoring all contract manufacturers, subcontractors, laboratories, warehouses, and other quality-impacting suppliers. This includes risk-based audits, performance monitoring, review of certifications, and the enforcement of quality agreements.

Supplier training

BioGaia's contract manufacturers operate under certified Quality Management Systems, meaning their personnel receive continuous training in quality practices and standards. These systems also include processes for assessing and qualifying their own subcontractors, ensuring that all parties involved uphold high levels of quality. In addition, BioGaia provides training on our specific product quality requirements during the development, method transfers or revision of documents such as quality agreements and contractual specifications, as well as during audits and formal quality meetings.

Co-worker training

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

Product information and labelling

BioGaia applies a structured and controlled process to ensure that product information and labelling comply with applicable regulatory requirements and BioGaia's quality standards. All product artworks, including packaging, labels and leaflets, are developed and approved through a formal review process involving relevant functions such as Regulatory Affairs, Brand, and Product Management.

Artwork approval is managed through a centralized digital system that ensures traceability, version control and documented approvals before release for production. Requirements for mandatory information, ingredient lists, claims, dosage, allergen information and storage conditions are verified against approved product specifications and applicable local regulations. Responsibilities for review and legal compliance are clearly defined depending on market and business model.

Recalls

BioGaia has a documented recall procedure, which is annually tested through a simulated recall. In addition, traceability tests are performed annually with each contract manufacturer. The test involves retrieving documentation from a specific product batch as quickly as possible to ensure that relevant parties in the supply chain are prepared in case of a recall.

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Outcome 2025

In 2025, we continued strengthening our Quality Management System, including implementing a new quality-errand management system and the roll-out of selected process improvements affecting artwork approval, risk assessment and food-safety monitoring. External audits of BioGaia AB and BioGaia Production were successfully completed, confirming continued compliance with applicable GMP and food-safety standards.

During the year, we achieved a successful HACCP re-certification at BioGaia AB with no findings, and auditors confirmed that our systems and documentation meet all requirements.

BioGaia Production's re-certification for Good Manufacturing Practice for food supplements under 21 CFR Part 111 resulted in no findings, and a renewed certificate was obtained. An authority audit was also conducted, resulting in three minor findings that were immediately resolved.

We also maintained our routine program of on-site audits, supplier evaluations and performance reviews, and held regular formal quality dialogues with contract manufacturers to support continuous improvement and alignment with our quality expectations.

A planned test of the recall procedure was carried out during the year. No product recalls occurred in 2025 Labelling and product information were subject to internal controls, audits and quality reviews, and any deviations identified were managed in accordance with established quality and regulatory processes.

Supplier qualification, monitoring and audit processes progressed according to plan. Certification levels and audit completion rates for quality-impacting suppliers are presented in the table.

KPI's for quality-influencing suppliers for 2025 (2024 data in brackets)

Quality-impacting suppliers	Certified Quality Management System [1,2,3]	Qualified and approved	Regular quality inspection and/or requalification[4]
Contract manufacturers (6)	100 (100)%	100 (100)%	100 (100)%
Ingredient suppliers (32 in total) (including subcontractor)	97 (97)%	100 (100)%	100 (100)%
Primary packaging material suppliers (13 in total) (including subcontractor)	92 (82)%	100(100)%	100 (100)%
Transport suppliers (3 in total)	67 (80)%	100 (100)%	100 (100)%
Contract warehouses (5 in total)	60 (60)%	100 (100)%	100 (100)%
Contract laboratories (12 in total)	92 (92)%	100 (100)%	100 (100)%

1) Quality Management System, in accordance with Good Manufacturing Practice for food, food supplements or pharmaceuticals or ISO 22000, certified by an authority or a third party.
2) A certified Quality Management System guarantees that employees receive training in quality.
3) A certified Quality Management System also ensures that the subcontractor is qualified and approved.
4) Quality inspections are carried out by BioGaia within three years for contract manufacturers, critical ingredient suppliers and critical contract laboratories. For subcontractors of ingredients, primary packaging, transport providers and contract warehouses, quality inspections are carried out at a risk-based frequency, either on-premises or through a documentation review.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Product quality and safety	**6. 100 percent of the suppliers that affect product quality should have Quality Management System certified by a third party.**	Recurring	100 percent of BioGaia's key suppliers (contract manufacturers) and 97 percent of other quality-influencing suppliers have third-party certified Quality Management Systems. 100 percent are qualified, and critical suppliers undergo regular inspections.	✓ Achieved

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Positive impact on health



Materiality

BioGaia's main contribution to society lies in delivering probiotic products with clinically proven effects that support human health and well-being.

In an industry where probiotic claims are often made without robust evidence, the ability to demonstrate scientifically documented health effects represents both a responsibility and a strategic opportunity. Misleading or non-substantiated claims would pose regulatory and reputational risks, while scientifically validated results reinforce consumer trust and long-term brand credibility.

Our approach

BioGaia develops probiotics with clearly defined indications, supported by preclinical and clinical research. Each bacterial strain and strain combination is evaluated for safety, efficacy and viability, ensuring that our products deliver the intended effect at the end of shelf life. BioGaia holds an extensive patent portfolio that protects its proprietary probiotic bacterial strains and their applications. Insights gained from our preclinical and clinical research pave the way for new innovations and additional patents.[1]

Consistent product performance is enabled by moisture-protective packaging, strain-specific stabilization technologies and rigorous quality controls described on pages 100-102.

Our research focuses on areas where the microbiome plays a critical role in health, including digestive health, immunity, oral health and functional gastrointestinal disorders in infants and children. For consumers and health professionals, we provide evidence-based information to help them understand the scientific foundation of our products, while marketing practices are regulated through mandatory internal training and our global Communication Policy.

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

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BioGaia's clinical research and product portfolio demonstrate benefits across several health areas:



Infant gut health:

L. reuteri Protectis® has been studied extensively in infant colic. A recent quality-of-life review summarized the aggregated evidence on its impact. Infants receiving the probiotic reduced crying and fussing time by 21 percent compared to placebo, corresponding to 958 fewer minutes of crying over 28 days. Mothers in the BioGaia Protectis® group reported lower mental distress (EPDS 5.6 vs 8.1), and families reported a substantially higher quality of life (8.7 vs 5.3 on a 0–10 scale). The effect has been confirmed in 15 meta-analyses, reinforcing its clinical relevance. The study concludes that *"although infant colic has a natural course with the remission of symptoms over time, its prompt treatment with L. reuteri Protectis® presents the potential to reduce infants' crying time, improve maternal mental health, and enhance family functioning."*[1]

Oral health:

BioGaia's *L. reuteri* Prodentis® contributes to improved oral microbiota balance. Clinical findings have shown reductions in gum bleeding and plaque index, supporting everyday oral hygiene and offering benefits for individuals with inflammatory diseases in oral health. This evidence base includes 24 clinical studies in periodontitis, 12 in gingivitis, and 11 in peri-implantitis, demonstrating consistent benefits across key inflammatory oral conditions.

Support during antibiotic treatment:

Several BioGaia strains help maintain gut microbial balance when antibiotics are used. Clinical results, such as the PEARL study (Dinleyci et al., 2025), demonstrated significantly reduced incidence of antibiotic-associated diarrhea. For broader information on AMR trends, see page 29, and for BioGaia's partnerships to support microbial resilience and biodiversity, see page 76.



Gastrointestinal resilience:

BioGaia strain combination *L. reuteri* Gastrus®, has been studied for upper-GI support. Clinical results indicate improved symptom relief in functional gastrointestinal discomfort and support for microbial balance during stressors such as dietary changes or illness.

1) The source of the report is published on BioGaia's website.

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Outcome 2025

In 2025, BioGaia continued to strengthen its indication-driven research, secured further investments in scientific efforts, expanded education initiatives for distributors and healthcare professionals, and maintained a strong focus on communicating probiotic benefits responsibly and in line with regulatory requirements. The scientific evidence supporting BioGaia's strains continued to grow, reinforcing the health impact our products deliver to consumers worldwide.

BioGaia's products reached consumers in more than 100 markets in 2025, with 715 million doses sold worldwide[1].
In addition, BioGaia supplies probiotic cultures to a limited number of business customers, enabling further doses beyond BioGaia-branded products. Combined with the evidence from more than 290 completed clinical studies involving over 25,000 individuals (as of December 2025), this demonstrates the scale and relevance of our contribution to public health.

By ensuring strain specificity, clinically tested dosages and end-of-shelf-life viability, our products create value not only through symptom relief, but also through broader well-being outcomes.

1) A dose refers to the recommended intake per product occasion and may vary between products. The reported number of doses sold reflects BioGaia-branded finished products and is used as an indicator of value creation through positive health impact. It does not capture product reach, consumer compliance, or doses enabled through sales of probiotic cultures supplied to selected business customers.



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Socio-economic health impact of probiotics

Probiotics have been shown to contribute to improved health outcomes across several prevalent health areas, with the potential to generate positive socio-economic effects through reduced disease burden and improved quality of life. A recent socio-economic impact assessment on probiotics in Europe (SEA)[1], commissioned by IPA Europe and conducted by an independent expert, demonstrates that even modest improvements in the consumption of probiotic foods and supplements would generate significant economic benefits, primarily from reduced healthcare costs and for broader society. The SEA quantifies the impact of probiotic use in seven key health domains: restoration of gut microbiota after antibiotic use, respiratory tract health, oral health, women's health, lactose digestion, gut-brain axis and mental well-being, and maintenance of normal bowel function; supported by robust scientific evidence. The study concludes that the increased use of probiotic can lead to at least €10 billion yearly savings for EU healthcare systems, while also delivering meaningful improvements in citizens' quality of life and economic productivity.

These SEA assessment areas closely align with BioGaia's research focus and product portfolio. BioGaia is a member of IPA Global and IPA Europe and has conducted extensive clinical research across all of these domains, with more than 290 completed clinical studies supporting the safety, efficacy and strain-specific benefits of our probiotic products (see p. 108). Through an indication-driven, science-based approach, BioGaia contributes to documented health effects at scale while supporting informed and responsible use of probiotics.

1) IPA Europe. 2025. *Probiotics in Europe: Unlocking Health and Economic Benefits.*

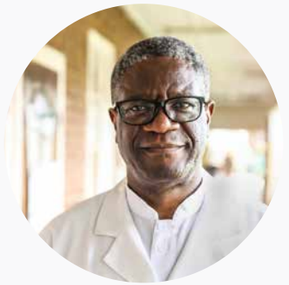


Positive impact on health through community engagement

Children's Mission Philippines

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

Panzi hospital



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

A gift of health this Christmas

To engage employees in meaningful discussions about global health, BioGaia conducted an employee Christmas survey in December 2025. Employees learned about several highly effective organizations recommended by Ge Effektivt and voted on the initiative they believed would create the greatest impact.

Based on the results, SEK 100,000 was donated to Clear Solutions through Ge Effektivt. Clear Solutions works to reduce deaths from diarrheal diseases by expanding access to simple, life-saving treatments, oral rehydration solution and zinc, in low-income settings. One treatment costs approximately SEK 9, according to estimates from Ge Effektivt, making the intervention highly cost-effective.

The contribution will enable the delivery of thousands of treatments, with a strong focus on protecting young children, and supports the organization during a time-critical phase as it scales its programs.

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Transparent research and clinically proven effect

Materiality

Transparent, independent and ethically conducted research is essential to ensuring that BioGaia's products deliver clinically proven effects. As a science-driven probiotic company, our credibility depends on the quality, integrity, and transparency of the evidence behind our products.

If research were conducted without robust ethical and scientific standards, it could result in misleading claims, regulatory challenges, and a loss of trust among consumers, healthcare professionals and the scientific community. Conversely, a strong commitment to transparent and rigorous research represents a clear opportunity to strengthen trust and reinforce BioGaia's position as a leading evidence-based probiotic brand.

Our approach

Our research is carried out in collaboration with universities and hospitals across Europe, Asia, South America and North America. The level of BioGaia's involvement varies depending on the study design - from fully sponsoring clinical trials to providing active product and placebo materials without taking part in scientific decisions. Regardless of our role, all studies involving BioGaia's strains must adhere to strict ethical and scientific standards.

Animal welfare is an important ethical consideration in research. While BioGaia does not conduct animal trials directly, we may support specific preclinical studies involving rodents to better understand how our bacterial strains interact with the immune system and physiology.

In these cases, studies must be scientifically justified and conducted in accordance with the internationally recognized 3Rs principles – Replace, Reduce and Refine. These principles are embedded in BioGaia's Code of Conduct and supplier agreements, ensuring that animal studies are minimized and carried out with the utmost regard for welfare and scientific validity. All ingredients in BioGaia's products are plant-based, except for vitamin D, which is derived from sheep wool.

We require researchers to comply with international and national legislation and to follow the ethical principles of the Declaration of Helsinki. These requirements are reflected in BioGaia's internal Code of Conduct and embedded in research agreements. We also encourage adherence to ICH-GCP (International Council for Harmonisation – Good Clinical Practice), the global standard for ethical, scientific and operational aspects of clinical trials. This includes securing local ethical approval, ensuring informed and voluntary written consent from participants, and respecting their right to withdraw at any time without consequences for future care or follow-up.

Transparency is a cornerstone of our research philosophy. Researchers are encouraged to register studies on publicly available platforms such as ClinicalTrials.gov, ensuring data accessibility irrespective of study outcomes.
For all studies that we fully sponsor, public registration is mandatory. We also strive for all research to be submitted to peer-reviewed journals, contributing to scientific progress and ensuring independent scrutiny before publication.



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Outcome 2025

In 2025 we continued advancing transparency and ethical standards across all research activities. all fully sponsored studies remained registered on public platforms, and manuscripts were submitted for publication in peer-reviewed journals. Collaborative studies with academic partners followed the ethical and scientific protocols outlined in our research agreements, including adherence to ICH-GCP and relevant national regulations.

Our research portfolio continued to be characterized by high methodological quality, independent scientific review and clear documentation of outcomes. These practices contribute not only to improved understanding of BioGaia's strains but also to trust among consumers, healthcare professionals and regulators.

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

Product	Strain or strain combination	2025	2024	2023
BioGaia® Protectis®	*L. reuteri* Protectis®	187[1]	178[1]	174[1]
BioGaia® Prodentis®	*L. reuteri* Prodentis®	82	71	66
BioGaia® Pharax®	*L. reuteri* Pharax®	1	1	1
BioGaia® Gastrus®	*L. reuteri* Gastrus®	13	1	8
BioGaia ® Osfortis®	*L. reuteri* Osfortis®	7	5	3
Upcoming[2]	*L. reuteri* BG-R59®	3	3	2
Total number of articles		293	269	254

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

	GOAL	TARGET YEAR	PROGRESS	STATUS
Transparent research and clinically proven effects	**7. 100 percent of BioGaia's dietary supplement products will consistently meet WHO's and ISAPP's requirements to be recognized as probiotics.**	Recurring	BioGaia assesses that all dietary supplement products meet ISAPP's requirements. For more information see the table to the right.	→ According to plan
	8. 100 percent of all studies fully sponsored by BioGaia must be registered on a public website, such as ClinicalTrials.gov	Recurring	All clinical studies fully sponsored by BioGaia meet these criteria.	→ According to plan

ISAPP

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

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

● Fully met ● Partially met ● Not met

1) A safety study is a clinical study that evaluates the potential risks of consuming a product.
2 EFSA, the European Food Safety Authority, is an agency with the primary purpose of advising legislators in the European Union on matters relating to food safety.
3) CFU = Colony Forming Units.

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Communication with consumers and end-users

Materiality

Transparent and responsible communication is essential to our vision of becoming the most trusted probiotic brand in the world. Clear, accurate and science-backed marketing helps consumers make informed decisions and strengthens long-term confidence in our products.

Misleading or inconsistent communication could lead to regulatory scrutiny, legal consequences or reputational damage, particularly given the varying regulations governing probiotic communication across markets.

Our commitments are rooted in extensive clinical research and product validation.

Ensuring that information about our products is truthful, balanced and supported by scientific evidence is both a responsibility and a strategic opportunity to differentiate BioGaia in a market where health claims are often made without sufficient substantiation.

Our approach

BioGaia's Board has adopted a global Communication Policy that outlines the principles governing all public communication. We require that all communication is truthful, accurate, clear, distinguishable and balanced. To operationalize these principles, a Marketing Directive provides internal guidance for how BioGaia AB and its subsidiaries communicate about our products across markets and channels.

BioGaia also maintains a cross-functional Marketing Review Board that meets regularly to assess regulatory risks, review marketing claims and ensure alignment between scientific evidence, regulatory requirements and strategic market positioning. The forum helps strengthen awareness of our regulatory responsibilities while supporting BioGaia's ability to strategically navigate complex regulatory frameworks across local markets.

To ensure responsible marketing across our value chain, we include specific communication requirements in all distribution agreements. Distributors may only use claims that are supported by BioGaia's clinical studies and must comply with applicable national laws in the markets where products are sold. Further information on our partner relationships is available on pages 98 and 99.

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Regulatory coherence and advocacy

BioGaia's long-standing expertise in probiotic regulations across markets represents an important strategic asset and can also act as a barrier to entry in a sector where regulatory expectations for health-related claims are increasingly complex.

In the EU, the term "probiotic" is still not permitted in consumer-facing communication because the European Commission interprets it as a health claim. However, an increasing number of EU countries – including Denmark, the Netherlands and France – have established national guidelines allowing "probiotic" as a mandatory category name in food supplement labelling.

We believe that a harmonized regulatory framework – driven by science-based and responsible communication principles – would enable clearer and more consistent communication across the EU, helping consumers better distinguish clinically validated products from those without proven effects.

To contribute to such harmonization, we participate actively in:

- The International Probiotics Association (IPA), engaging in dialogue with EU institutions and contributing to industry initiatives promoting responsible probiotic communication.
- The International Scientific Association for Probiotics and Prebiotics (ISAPP), where we participate as an industry partner in scientific meetings and follow ISAPP's criteria for probiotic products (see page 108).

These collaborations help ensure that advances in probiotics are guided by scientific integrity and transparent communication.

Outcome 2025

In 2025, annual refresher training sessions were conducted for relevant employees, and monthly cross-functional regulatory meetings continued throughout the year.

Our engagement with IPA and ISAPP remained important in supporting responsible communication practices and contributing to ongoing discussions about regulatory coherence in the EU.



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Governance – Healthy business

Responsible business conduct is the foundation of a healthy business. It ensures that we operate with integrity, make transparent decisions and maintain the trust of consumers, employees, partners and healthcare professionals. These principles guide how we manage risks, uphold ethical standards and build long-term resilience.

Business conduct

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

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Business conduct

BioGaia is built on a strong culture of ethics, responsibility and trust. These principles guide how we act as colleagues, partners and representatives of the company. A clear and consistent approach to business conduct helps us maintain credibility, protect our employees, and uphold the expectations placed on us as a science-driven global organization.

Our culture is rooted in our values and supported by our Code of Conduct, which sets out expectations for ethical behavior, respect for people, compliance with laws and responsible decision-making in daily work. In 2025, we launched a new Code to provide clearer guidance and more practical examples on areas such as respectful conduct, human rights, environmental responsibility, anti-corruption, conflicts of interest and interactions with external stakeholders. The Code is publicly available and applies to all employees, consultants and representatives acting on our behalf. During onboarding, everyone receives dedicated training on the Code and our Global Policies, and recurring training reinforces understanding over time.

The way we work together is equally important. We strive for a culture where people feel safe to speak up, raise concerns and challenge inappropriate behavior without fear of retaliation. Multiple reporting channels are available, including managers, HR, senior leaders and an anonymous external whistleblowing service. We encourage open dialogue and early problem-solving, and all concerns raised in good faith are taken seriously and handled confidentially.

Responsible conduct also includes how we operate as a corporate citizen. We follow applicable tax legislation in every market where we operate and maintain a transparent, responsible approach as part of our financial framework.

Our governance structure and Group-wide policies, reviewed and approved by the Board of Directors yearly, provide an integrated framework that supports this work. Further details on BioGaia's sustainability governance are presented on page 64, and an overview of our policy framework can be found on page 65.

Together, these elements form a commitment to integrity, accountability and respect, enabling us to build long-term trust with employees, partners and society.

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Corporate Culture

Materiality

BioGaia is a value-driven company, and our corporate culture is central to how we deliver on our strategy and purpose. A strong, ethical culture supports engagement, retention and performance, and underpins compliance with our Global Policies and Code of Conduct.

If corporate culture is neglected, it can lead to disengaged employees, higher turnover and increased risk of unethical behavior, which in turn may create legal or reputational consequences. For a global, growing organization like ours, maintaining a clear, shared culture is therefore both a responsibility and a key opportunity to support long-term success.

BioGaia's three core values:

- **Innovation**
  We strive for breakthrough solutions that make a difference in people's lives.
- **Collaboration**
  Trust, helpfulness and curiosity define our way of working.
- **Passion**
  We are committed and put our hearts into everything we do.

Our approach

We work actively to embed our three core values – Innovation, Collaboration and Passion – in day-to-day decisions and behaviors across the Group. Our Global People Policy and Code of Conduct set expectations on how we work together, how we lead and how we conduct our business.

All new employees complete an onboarding program that includes training on the Code of Conduct, Global Policies and BioGaia's values. These messages are reinforced through recurrent Code of Conduct and policy training.

We also strengthen our culture through shared activities at our offices, such as health-related initiatives and charitable actions that support organizations working to improve global health, read more on the pages 76 and 106. These activities help translate our values into concrete experiences and create a sense of community across teams and locations.

Outcome 2025

In 2025, we continued to develop and reinforce our corporate culture through both training and shared activities. All new employees took part in onboarding sessions covering our values, Global Policies and the Code of Conduct, and recurrent training continued according to our two-year cycle.

A key highlight during the year was a company-wide conference where our values were in focus, including a values-based game that received very positive feedback from participants. This supported dialogue about how we live our values in practice and helped further anchor our culture across functions and geographies.

Employee-engagement results remained strong, with high participation and positive scores on engagement and work environment (see page 92), indicating that our ongoing cultural work is contributing to a committed and value-aligned organization.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Corporate culture	**1. Employees must complete onboarding training on the Code of Conduct, Global Policies, BioGaia values and expectations, reinforced through recurring Code of conduct and Global Policy training at least every two years.**	Recurring	During the year, we continued to reinforce our corporate culture through onboarding and recurrent training on the Code of Conduct, Global Policies and company values. Towards the end of the year, a new and more comprehensive Code of Conduct was launched to further clarify expectations and support ethical behavior across the organization.	→ According to plan

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Protection of whistleblowers

Materiality

At BioGaia, we promote a transparent and ethical work environment. For this to be possible, it is essential that our employees and external stakeholders have clear and trustworthy ways to report concerns. It is equally important that everyone feels safe raising issues without fear of repercussions.

Failure to protect whistleblowers can lead to legal liability, employee dissatisfaction and reputational damage. Safeguarding those who speak up is therefore a key priority for maintaining compliance, integrity and a healthy corporate culture.

Our approach

BioGaia complies with the EU Whistleblower Protection Directive. Our whistleblower system, provided by an independent external party and implemented in all wholly owned subsidiaries, allows employees and external stakeholders to submit concerns anonymously if they wish, including perceived violations of our Code of Conduct or deviations from business ethics principles. The system is accessible through BioGaia's website and available in Swedish, English and Japanese.

In line with BioGaia's Code of Conduct, employees are encouraged to report concerns directly to their immediate manager, a higher-level manager or HR when appropriate. If someone feels uncomfortable doing so, or if the matter remains unresolved, they may instead contact the Reporting Violations Team (Chief Legal Officer and Chief Human Resources Officer) or use the anonymous reporting channel.

The team responsible for managing whistleblower cases includes the Chief Legal Officer, Chief Human Resources Officer, and a representative of the Board of Directors.

> BioGaia has zero tolerance for retaliation. Anyone who raises a concern in good faith is protected from any form of disadvantage or negative consequence, even if the concern later proves to be a misunderstanding.

This commitment applies to all employees and to external stakeholders with access to the reporting mechanism.

Outcome 2025

In 2025, no concerns were reported or escalated under BioGaia's whistleblowing procedure. Awareness of reporting channels continued to be reinforced through onboarding and policy training. Our Reporting Violations Team remained prepared to handle any raised issues in line with EU Whistleblower Protection Directive requirements, ensuring that all employees and external stakeholders can safely and confidentially report suspected misconduct without fear of retaliation.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Protection of whistleblowers	**2. Employees should be informed about and have access to BioGaia's whistleblower system, with zero tolerance for retaliation.**	Recurring	Throughout 2025, BioGaia continued to ensure that employees and external stakeholders were informed about and had access to the whistle-blower system, with zero tolerance for retaliation, supported by onboarding and policy training.	→ According to plan

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Anti-corruption and anti-bribery

Materiality

Corruption, bribery and improper influence present a critical risk to BioGaia's licence to operate and to the trust of customers, healthcare professionals and society at large.

With products sold in over 100 markets, exposure varies significantly across regions, and risks may arise in interactions with distributors, during major procurement processes, or when engaging with healthcare professionals. Misconduct in any of these areas could lead to legal consequences, financial loss and reputational harm.

Anti-bribery and corruption are therefore core elements of responsible business conduct and closely linked to our work with responsible third parties and ethical expectations defined in our Code of Conduct and Global Policies (see page 65).

Our approach

We maintain a strict zero-tolerance approach if or when confronted with suspected corruption or bribery. Expectations are set through BioGaia's Anti-Corruption Policy, Conflicts of Interest Policy, and the Code of Conduct, which together define prohibited behavior, outline decision-making principles and describe reporting procedures. These requirements apply to all employees, consultants and relevant third parties.

Actual and potential conflicts of interest are identified, disclosed and managed in accordance with BioGaia's Conflicts of Interest Policy, which defines procedures to prevent undue influence on decision-making, including at Board level.

Governance of corruption-related risks follows our overarching sustainability governance structure. A member of the Executive Management Team is responsible for the compliance program, while the Board of Directors is ultimately accountable for ensuring that risks are identified, assessed and effectively managed.

Because third parties can pose elevated risks, all new distributors, agents and other high-risk partners must undergo due diligence and formally commit to BioGaia's compliance standards.

Training remains a central component of prevention. Anti-corruption expectations are integrated into onboarding for all employees, and employees in high-risk or decision-making roles complete targeted, role-based training to strengthen their ability to recognize and respond to corruption risks in their daily work.

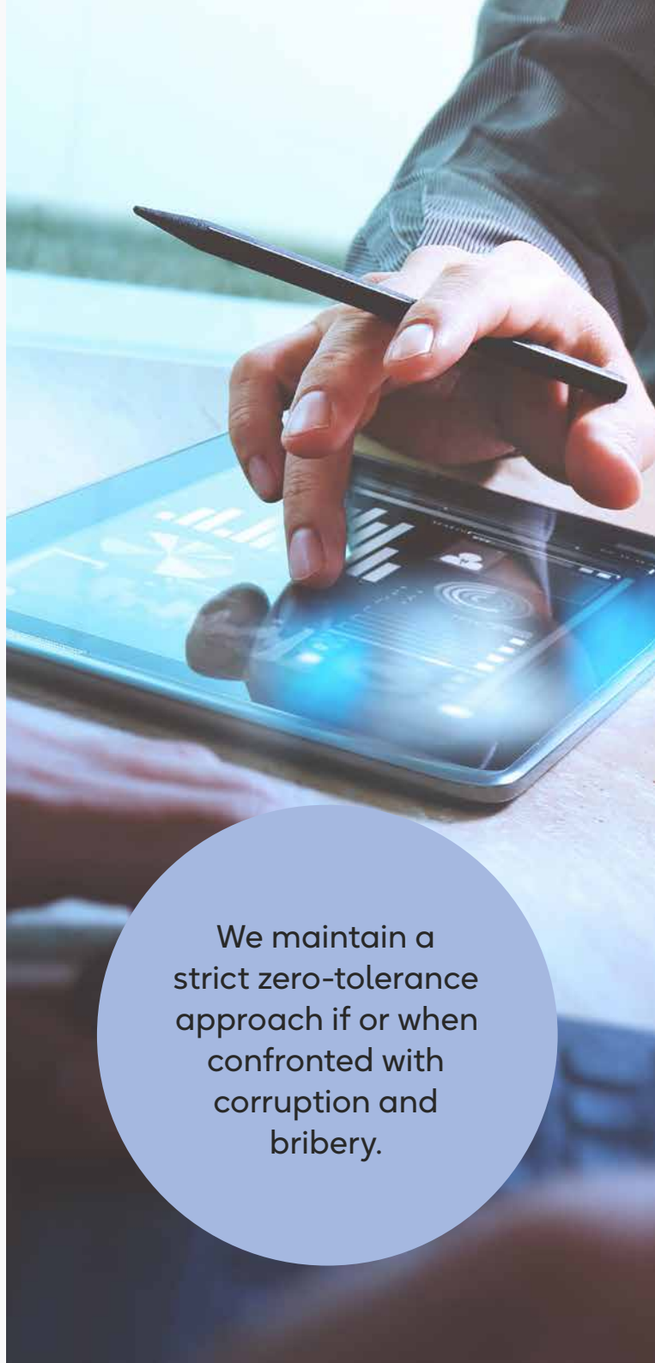


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Outcome 2025

In 2025, BioGaia completed corruption and bribery risk assessments in two selected markets, conducted jointly with an external counsel. These assessments will guide the prioritization of compliance activities and resource allocation in 2026.

All new distributors and agents approved during the year underwent formal due diligence and and signed commitments to comply with applicable anti-corruption legislation and BioGaia's standards.

Code of conduct training, including anti-corruption and anti-bribery during employee onboarding continued across the organization, and employees in designated high-risk roles completed the required in-depth training modules.

No cases of suspected bribery or corruption were reported in 2025, either through internal channels or the Reporting Violations Platform.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Anti-corruption and anti-bribery	**3. Employees in high-risk roles with decision-making authority shall complete in-depth role-based anti-corruption training, aligned with BioGaia's risk assessment.**	Recurring	As part of ongoing compliance work, employees in designated high-risk and decision-making roles continued to complete role-based anti-corruption training aligned with BioGaia's risk assessment.	→ According to plan
	4. Conduct risk assessments against bribery and corruption in BioGaia's selected markets, to be used to prioritize activities and allocate resources.	2025	During the reporting period, BioGaia conducted bribery and corruption risk assessments in selected markets to support the prioritization of compliance activities and resource allocation.	✓ Achieved
	5. Uphold a robust third-party anti-bribery and corruption program by ensuring 100% of all new distributors, agents and other high-risk third parties in scope undergo due diligence and formally commit to a compliance with laws undertaking.	Recurring	In line with established compliance procedures, all new distributors, agents and other high-risk third parties in scope continued to undergo due diligence and formally commit to compliance with applicable anti-corruption laws and BioGaia's standards.	→ According to plan

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Interactions with healthcare professionals

Materiality

BioGaia's relationships with healthcare professionals (HCPs) play a central role in supporting safe, evidence-based use of probiotics.

Interactions that lack transparency, scientific integrity or compliance with relevant laws could lead to reputational damage, legal consequences or barriers to market access. As a science-driven organization, we place high importance on responsible engagement, ensuring that HCP communication is anchored in scientific evidence, ethical guidelines and clearly defined internal governance and that all interactions are open, transparent and modest.

Our approach

We engage with healthcare professionals to share scientific knowledge, support clinical understanding of probiotics and ensure the appropriate use of our products. All interactions are governed by the principles outlined in BioGaia's Communication Policy and Anti-Corruption Policy, which set clear requirements for accuracy, balance, and independence in HCP communication. These expectations apply whether interactions are managed directly by us or through distribution partners, who are contractually obliged to follow BioGaia's Code of Conduct and marketing requirements.

Our educational activities are built on scientific integrity and transparency. Communication with HCPs must be strictly evidence-based, reflect current clinical knowledge, and avoid any form of undue influence. We maintain structured review processes for materials directed at HCPs, ensure that claims are scientifically substantiated, and require that all engagements are free from promotional bias.

We also collaborate with external partners to expand access to education in key therapeutic areas, including pediatrics, gastroenterology and oral health. These initiatives strengthen relationships with healthcare communities while contributing to accurate, clinically relevant understanding of probiotics.

Outcome 2025

In 2025, we continued to strengthen our scientific presence among healthcare professionals while maintaining full alignment with internal and external ethical requirements. The first cohort of the BioGaia Academy Expert Program in Gastrointestinal Health completed the program, deepening their expertise in probiotic science and clinical application. Distribution partners participated in expanded education and training, ensuring that product information shared with HCPs remained evidence-based and compliant with local regulations. Across all markets, no incidents of non-compliance were identified in relation to HCP engagement, reflecting our continued commitment to transparency and integrity.



BioGaia Academy: Advancing responsible education for healthcare professionals

Since 2018, the BioGaia Academy has served as a global platform for research-driven education, supporting pediatricians, gastroenterologists, dentists and other healthcare professionals with evidence-based knowledge on probiotics.

	GOAL	TARGET YEAR	PROGRESS	STATUS
Interactions with healthcare professionals	**6. Ensure employees in HCP-facing roles complete targeted training on compliant interactions every two years.**	Recurring	As part of ongoing governance efforts, employees in HCP-facing roles continued to complete targeted training on compliant and evidence-based interactions with healthcare professionals.	→ According to plan

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Auditor's report on the statutory sustainability report

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

Engagement and responsibility

It is the board of directors that is responsible for the statutory sustainability report for the financial year January 1, 2025–December 31, 2025 on page 60-117 and for ensuring that it has been prepared in accordance with the Annual Accounts Act and in line with the previous version of the legislation applicable prior to 1 July 2024.

The scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Stockholm, March 26, 2026
Deloitte AB

Jenny Holmgren
Authorized Public Accountant

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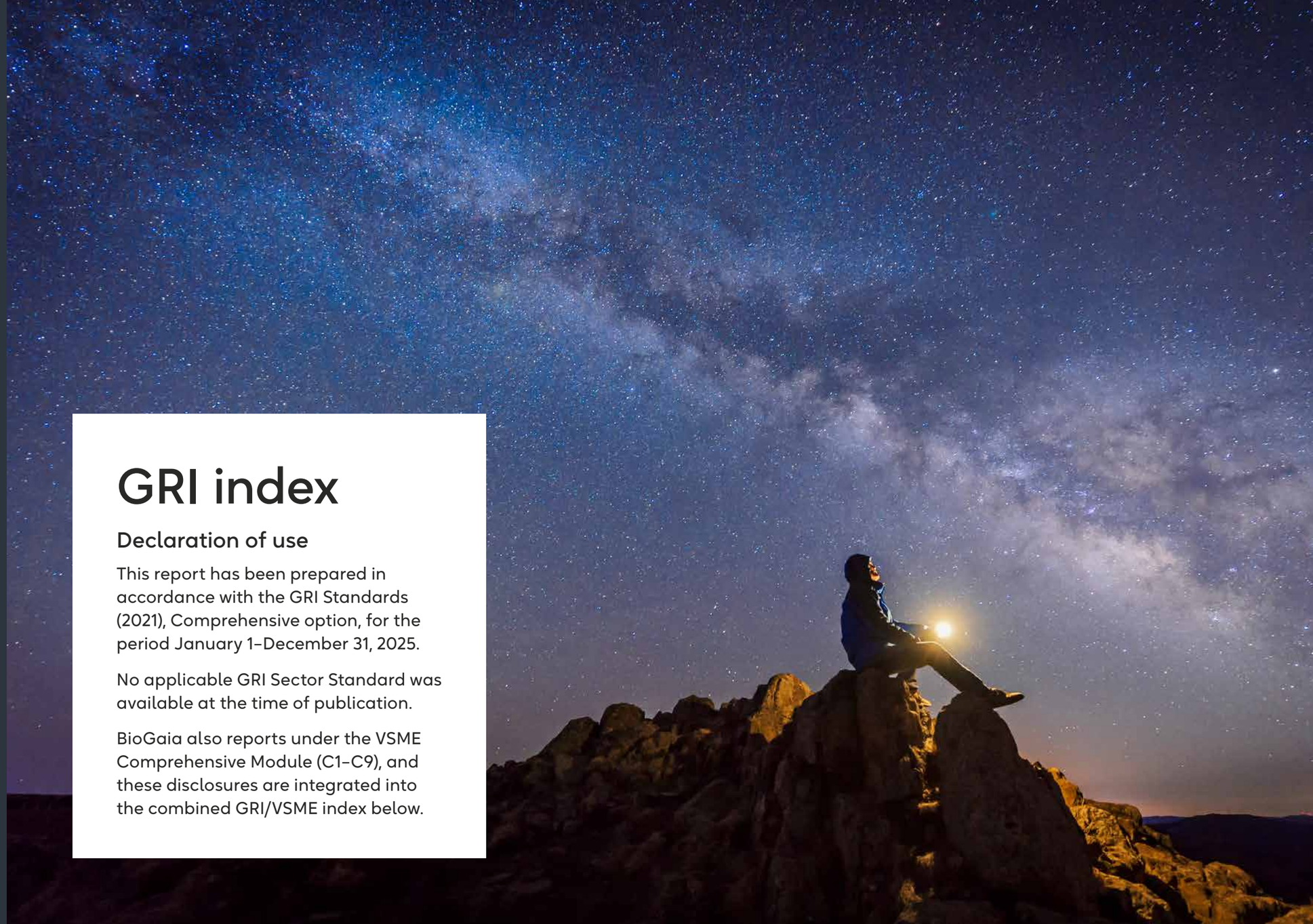
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Declaration of use

This report has been prepared in accordance with the GRI Standards (2021), Comprehensive option, for the period January 1–December 31, 2025.

No applicable GRI Sector Standard was available at the time of publication.

BioGaia also reports under the VSME Comprehensive Module (C1–C9), and these disclosures are integrated into the combined GRI/VSME index below.

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GRI	Disclosure	VSME Comprehensive	Page Reference	Page	Comment
GRI 2: General disclosures					
The organization and its reporting practices					
2-1	Organizational details	C1 – About the undertaking	General disclosures (Legal entity, structure, company)	63, note 14	BioGaia AB, BioGaia Production AB, BioGaiaInvest AB, BioGaia New Sciences, and BioGaia Pharma AB are headquartered in Sweden. BioGaia Biologics Inc. and BioGaia USA, LLC are based in the United States; BioGaia Probiotics Canada Inc. is based in Canada; BioGaia UK Limited is based in the United Kingdom; BioGaia Finland Oy is based in Finland; BioGaia France is based in France; BioGaia Germany GmbH is based in Germany; and BioGaia Japan Inc. is based in Japan.
2-2	Entities included in sustainability reporting	C1 – Reporting boundaries	General disclosures (Scope of the Group)	63, note 14	All companies in the group are listed under Note 14.
2-3	Reporting period, frequency, contact point	C1 – Reporting practices	General disclosures (year, method, contact person)	63	The contact point for sustainability matters is the Sustainability Director (sustainability@biogaia.se).
2-4	Restatements of information	C1 – Reporting practices	General disclosures (Sustainability governance), Healthy business: Climate impact	63, 77-83	BioGaia transitioned back to GRI reporting with alignment to the VSME Comprehensive Standard. No major restatements of previously reported sustainability information were made. Methodological improvements to carbon accounting were implemented in 2025.
2-5	External assurance	C1 – Reporting practices	General disclosures (RevR12)	63, 118	
Activities and workers					
2-6	Activities, value chain and business relationships	C1 – About the undertaking	BioGaia value chain (framvagn)	25,26	
2-7	Employees	C4 – Workforce	Healthy people: Diversity and equal opportunities	96,97	
2-8	Workers who are not employees	C4 – Workforce		97	BioGaia does not currently consolidate consulting services into FTEs. The use of consultants in 2025 was limited and not considered significant relative to the number of employees.
Governance					
2-9	Governance structure & composition	C2 – Governance	Sustainabililty governance, Corporate governance report, Board of Directors	64	Information about the Board members' other positions and commitments is available at BioGaiaGroup.com – Investors - Corporate governance - Board of directors.
2-10	Nomination & selection of highest governance body	C2 – Governance	Sustainability governance and Corporate governance report (Nomination process)	64	
2-11	Chair of highest governance body	C2 – Governance	Sustainability governance, Corporate governance report	64	
2-12	Role of highest governance body in overseeing impacts	C2 – Governance	Sustainability governance, Corporate governance report	64	
2-13	Delegation of responsibility for managing impacts	C2 – Governance	Sustainability governance, Corporate governance report	64	
2-14	Role of highest governance body in sustainability reporting	C2 – Governance	Sustainability governance, Corporate governance report	64	
2-15	Conflicts of interest	C2 – Governance; C9 – Corruption	Healthy business: Anti-corruption and anti-bribery	115-116	
2-16	Communication of critical concerns	C2 – Governance	Corporate governance report; Healthy people: Responsible third parties; Healthy business: Protection of whistleblowers	98-99, 114	

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GRI	Disclosure	VSME Comprehensive	Page Reference	Page	Comment
Governance, ***continuing***					
2-17	Sustainability competence of the highest governance body	C2 – Governance	Board of Directors, Sustainability governance.	64	
2-18	Evaluation of the highest governance body	C2 – Governance	Corporate governance report	158	
2-19	Remuneration policies	C2 – Governance; C4 – Workforce	Note 3, Corporate governance report, Remuneration report	141-142, 158	
2-20	Process to determine remuneration	C2 – Governance; C4 – Workforce	Remuneration report		
2-21	Annual total compensation ratio	C4 – Workforce	Remuneration report (salaries, social)		Ratio for 2025: 7.7. Annual total compensation includes fixed salary and employer-paid pension contributions for employees of BioGaia AB, calculated on a full-time equivalent basis. Variable remuneration is excluded, as it is determined based on performance in the previous financial year. The ratio reflects the annual total compensation of the highest-paid individual divided by the median annual total compensation of employees, excluding the highest-paid individual.
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	C3 – Strategy	Sustainability strategy and goals	68-71	
2-23	Policy commitments	C2 – Governance	Policies, directives and guidelines	65	For more details, see BioGaia's Code of Conduct, which can be found on the website www.biogaiagroup.com.
2-24	Embedding policy commitments	C2 – Governance	Anti-corruption and bribery; Responsible third parties	65,98-99, 112,115-116,	
2-25	Processes to remediate negative impacts	C7 – Impacts on communities	Stakeholder dialogue, Protection of whistleblowers; Responsible third parties	66, 95-99, 114	Stakeholder dialogue and grievance mechanisms; protection of whistleblowers; processes for addressing impacts related to third parties
2-26	Mechanisms for advice and concerns (incl. whistleblowing)	C2 – Governance; C9 – Corruption	Healthy Business; Protection of whistleblowers	111-116	
2-27	Compliance with laws & regulations	C2 – Governance	GRI-Index		During the reporting period, BioGaia was not subject to any significant fines, sanctions or non-monetary penalties for non-compliance with laws or regulations.
2-28	Membership associations	C1.1 – About the undertaking	Message from the Sustainability Director	61-62, 110	BioGaia is a member of UN Global Compact, IPA Europe and Global, Svensk Egenvård
Stakeholder engagement					
2-29	Stakeholder engagement approach	C2 Sustainability Matters & Material impacts	Double materiality assessment: Methodology and stakeholder dialogue	66-67	
2-30	Collective bargaining agreements	C4 – Workforce	Healthy people: Employee health and safety	90-91	

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GRI 3: Material Topics					
3-1	Process to determine material topics	C3 – Strategy; C1 – Stakeholders	Double materiality assessment: Methodology and stakeholder dialogue	66-67	
3-2	List of material topics	C3 – Strategy	Double materiality assessment: Key outcomes	66-67	
Healthy Planet					
3-3	Management approach – Climate impact	C5 – Environment	Healthy planet	77-82	
3-3	Management approach – Sustainable transport	C5 – Environment	Healthy planet	83	
3-3	Management approach – Sustainable packaging	C5 – Environment	Healthy planet	84-86	
3-3	Management approach – Sustainable raw materials	C5 – Environment	Healthy planet	87	
3-3	Cross-reference: Microbial biodiversity → BSD-9	C5 – Environment (biodiversity)	Healthy planet	73-76	
Healthy People					
3-3	Management approach – Positive health impact	C7 – Communities	Healthy people	103-106	
3-3	Management approach – Transparent research & clinically proven effect	C6 – Business conduct	Healthy people	107-108	
3-3	Management approach – Employee health & safety	C4 – Workforce	Healthy people	90-91	
3-3	Management approach – Product quality & safety	C6 – Business conduct	Healthy people	100-102	
3-3	Management approach – Communications with consumers and end-users	C6 – Business conduct	Healthy people	109-110	
3-3	Management approach – Training & skills development	C4 – Workforce	Healthy people	92-93	
3-3	Management approach – Work-life balance	C4 – Workforce	Healthy people	94-95	
3-3	Management approach – Responsible third parties	C6 – Business conduct	Healthy people	98-99	
3-3	Management approach – Diversity & equal opportunities	C4 – Workforce	Healthy people	96-97	
Healthy Business					
3-3	Protection of whistleblowers	C6 – Business conduct	Healthy business	114	
3-3	Anti-bribery and corruption	C6 – Business conduct	Healthy business	115-116	
3-3	Interactions with HCP	C6 – Business conduct	Healthy business	117	
3-3	Corporate Culture	C6 – Business conduct	Healthy business	112-113	

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GRI	Disclosure	VSME Comprehensive	Page Reference	Page	Comment
GRI 200: Economic disclosures					
205-1	Risk assessment	C8 - Business Conduct/ Governance	Healthy business: Anti-corruption and anti-bribery	115-116	
205-2	Anti-corruption policies & training	C9 – Corruption	Healthy business: Anti-corruption and anti-bribery	65, 115-116	
205-3	Confirmed incidents of corruption	C9 – Corruption	Healthy business: Anti-corruption and anti-bribery	115-116	No suspected cases of bribery or corruption were reported during the financial year.
GRI 300: Environmental disclosures					
Sustainable Packaging and sustainable raw materials					
301-1	Materials used by weight or volume	C7 - Environment	Healthy planet: Resource use and circular economy	82, 84-86	
301-2	Recycled input materials used	C7 - Environment	Healthy planet: Resource use and circular economy	82, 84-86	
301-3	Recycled packaging	C7 - Environment	Healthy planet	86	
Climate Impact and sustainable transport					
302-1	Energy consumption	C7 - Environment	Healthy planet: Climate impact	82	
302-2	Energy intensity	C7 - Environment	Healthy planet: Climate impact	82	
305-1	Direct (Scope 1) emissions	C7 – Environment	Healthy planet: Climate impact	82	Excludes biogenic emissions as they are deemed non-existent or very small from the company's operations
305-2	Indirect (Scope 2) emissions	C7 – Environment	Healthy planet: Climate impact	82	Excludes biogenic emissions as they are deemed non-existent or very small from the company's operations
305-3	Other indirect (Scope 3) emissions	C7 – Environment	Healthy planet: Climate impact	82	Excludes biogenic emissions as they are deemed non-existent or very small from the company's operations
305-4	GHG emissions intensity	C7 – Environment	Healthy planet: Climate impact	82	
306	Waste	C7 - Environment	Healthy planet: Climate impact	79	
GRI 400: Social disclosures					
401-1	New employee hires & turnover	C4 – Workforce	Healthy people: Work-life balance	95	Not broken down by region
Work-life balance					
401-2	Benefits (wellness programs, leave, flexibility)	C4 - Workforce	Healthy people: Work-life balance	94-95	
401-3	Parental leave	C4 – Workforce	Healthy people: Work-life balance	94-95	
Training & skills development					
404-1, 404-2, 404-3	Average training hours, Skills development programs, Evaluation of employee performance	C4 - Workforce	Healthy people: Training and skills development	92-93	
Employee health & safety					
403-9	Work-related injuries	C4 – Workforce	Healthy people: Employee health and safety	91	Total number of hours worked is not reported
404-3	Performance reviews	C4 – Workforce	Healthy people: Training and skills development	92-93	

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GRI	Disclosure	VSME Comprehensive	Page Reference	Page	Comment
Diversity & equal opportunities					
405-1	Diversity of governance bodies & employees	C4 – Workforce; C2 – Governance	Healthy people: Diversity and equal opportunities	96-97	
405-2	Gender pay ratios	C4 - Workforce	Healthy people: Diversity and equal opportunities, Remuneration report	96-97	
Positive health impact					
413-1	Operations with local community engagement	C3 – Strategy, impacts & stakeholder engagement	Healthy people: Positive impact on health	66, 103-106	
Responsible third parties					
414-1	New suppliers screened using social criteria	C5 - Workers in the valuechain	Healthy people: Responsible third parties	98-99	
Product quality & safety					
416-1, 416-2	Assessment of product safety, Incidents of non-compliance	C6 – Consumers & product responsibility	Healthy people: Product quality and safety	100-102	
Transparent research & clinically proven effect					
GRI 417-3	Requirements for product and service information and labeling	C6 – Consumers & product responsibility	Healthy people: Transparent research and clinically proven effect	107-110	
Communications with consumers and end-users					
417-1, 417-2, 417-3	Requirements for product and service information and labeling	C6 – Business conduct	Healthy people: Product quality and safety	100-102	
BioGaia specific disclosures (BSD)					
BSD 1	Published clinical studies per strain	C6 – Business conduct	Healthy people	103-106	
BSD 2	Criteria for probiotics and compliance	C6 – Business conduct	Healthy business	103-106	
BSD 3	Positive impact on health	C6 – Business conduct	Healthy people	103-106	
BSD 4	Emissions from ingredients	C7 – Environment	Healthy planet	82	
BSD 5	Emissions from packaging	C7 – Environment	Healthy planet	82	
BSD 6	Suppliers signed Supplier Code	C6 – Business conduct	Healthy people	98-99	
BSD 7	Partners signed Partner Code	C6 – Business conduct	Healthy people	98-99	
BSD 8	Phase-out of palm oil	C7 – Environment	Healthy planet	87	
BSD 9	Microbial biodiversity & strain ecosystem integrity	C7 – Environment	Healthy planet	73-76	

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Included emission sources for calculated greenhouse gas emissions

In 2025, BioGaia implemented an updated calculation tool and revised emission factors, primarily based on UK DEFRA, IEA, US EPA and Exiobase, improving data quality and consistency. These updates affect comparability with previous years.

Scope	Definition	Included emission sources / activities & data gathering process
Scope 1	Direct GHG emissions from vehicles/premises	BioGaia's only source of Scope 1 emissions is from owned or leased cars used by the subsidiary in Japan, stationary combustion for BioGaia Japan, and refrigerants at BioGaia Production. BioGaia does not lease any cars in any other part of the group.
Scope 2	Indirect emissions from purchased heating and electricity from premises	Data on emissions, electricity usage and energy used for heating and cooling have been collected from suppliers to BioGaia AB's offices, BioGaia Japan, BioGaia Production and BioGaia USA. Emissions are calculated by multiplying energy usage by relevant emission factors. In 2025, emission factors are primarily sourced from IEA. For the USA, EPA eGrid factors are used. BioGaia applies a market-based method and purchases renewable electricity, supported by certificates, for relevant operations including the USA and Japan.
Scope 3	1. Purchased goods and services	All raw materials used to produce the products are included based on product content and total sales. Emission factors were obtained from the lifecycle assessment and SimaPro. The analysis used the IPCC's Global Warming Potentials 2013 with a 100-year time horizon. Emissions from other goods such as IT equipment, furniture and paper are small. Historically, minor categories such as office supplies have been estimated based on number of employees, and BioGaia is transitioning towards a spend-based methodology to improve accuracy.
	2. Capital goods	Not included due to insufficient data about cradle-to-grave lifecycle data on owned capital goods.
	3. Other fuel- and energy-related activities	Scope 3 emissions included are based on the amount of electricity used according to Scope 2 and emission factors for Scope 3 emissions from IEA and DEFRA. Energy use from the manufacturing operations of our external contract manufacturers is not included due to insufficient data.
	4. Upstream transportation and distribution	Transports from supplier of raw materials for the product to BioGaia's facilities are included based on estimates made by consultants of the lifecycle assessment based on distance between supplier and BioGaia's facilities.
	5. Waste generated in operations	Waste from operations is included from 2021.
	6. Business travel	This includes the use of hotels, flights, taxis, rail travel and car rental. Estimates are based on as much detail as possible for transportation. In some cases, the estimates were obtained from the travel agency. Emission factors from DEFRA for well-to-tank (WWT) including the high-altitude factor (RF) for aviation have been used for data coming from the supplier. The adjustment factor used to account for high-altitude effects of air travel is 1.9, as used by DEFRA. For flights not booked via the travel agency, a spend-based methodology was introduced in 2025, whereby expenditure is converted into emissions using country-specific emission factors (Exiobase).
	7. Employee commuting	Included and based on an employee survey in 2025 with BioGaia AB and all subsidiaries except for USA, Japan and BioGaia Production which reported employee commuting separately. Emission factors were obtained from the relevant national emission factor sources.
	8. Upstream leased assets	Not included in 2025 as emissions from upstream leased assets were assessed to be immaterial.
	9. Downstream transportation and distribution	Emissions from distribution are based on preliminary calculations while travel by consumers to purchase the product was not included due to insufficient data. Emission factors were obtained from DEFRA. Transports to BioGaia's subsidiaries in the USA and Japan have been calculated based on data directly from the companies, while other transport distances have been estimated where primary data is not available.
	10. Processing of sold products	Not applicable – BioGaia produces and sells the final product that consumers consume.
	11. Use of sold products	Not applicable – the product is consumed.
	12. End-of-life treatment of sold products	Included based on scenario from lifecycle assessment. However, accuracy will be improved, and the packaging recyclability further explored to develop better packaging solutions. Emission factors are based on the lifecycle assessment and SimaPro. The analysis used the IPCC's Global Warming Potentials 2013 with a 100-year time horizon.
	13. Downstream leased assets	Not applicable – BioGaia does not lease assets to other entities.
	14. Franchises	Not applicable – BioGaia does not have any franchises.
	15. Investments	Not included - BioGaia has minority investments, but Category 15 emissions are excluded as they are not considered material and/or due to limited data availability.

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Figures in parentheses refer to the previous year.

The Board of Directors and the CEO of BioGaia AB (publ.) corporate identification number 556380-8723, hereby submit their annual report and consolidated financial statements for the 2025 financial year. The financial statements relate to the Group and the Parent Company for the period January 1, 2025 to December 31, 2025.

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

BioGaia

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

BioGaia has 242 employees, of whom 145 are based in Sweden (Stockholm and Eslöv).

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

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

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

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

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

Key events in 2025

New contracts and launches
OnJuly 19, BioGaia announced that the company signed a long-term agreement with Recordati for exclusive distribution of probiotics in the Italian market.

On September 30, the company announced the launch of Prodentis® Fresh Breath.

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

Other key events
On January 16, BioGaia announced that, in line with its long-term successful strategy to market and sell its products through its own subsidiaries in certain priority markets, the company had terminated the agreement with its existing partner in France.

On March 20, BioGaia announced that Annwall & Rothschild Investments AB (owned by Jan Annwall and BioGaia's Chairman of the Board Peter Rothschild), another Rothschild family member and David Dangoor (BioGaia's Vice Chairman), had entered into an agreement under which Annwall & Rothschild Investments AB will sell all its shares in BioGaia, and David Dangoor together with the other Rothschild family member will sell half of their shares in BioGaia to BioGaia's existing shareholders, Anatom Holding AG, and other separate entities all owned by other members of the Kahane family.

On May 7, BioGaia announced that the company will expand its global footprint by establishing direct sales in the Netherlands, initially through an online approach.

On May 30, BioGaia announced that the number of votes in BioGaia had decreased as a result of the conversion of a total of 1,038,202 class A shares into 1,038,202 class B shares.

On July 16, BioGaia announced the launch of BioGaia New Sciences AB, which will engage in microbiome research and innovation.

At an extraordinary general meeting of BioGaia AB (publ) on August 22, it was resolved to elect Mauricio Graber as new Chairman of the Board.

On August 27, the company announced that Chairman of the Board Mauricio Graber had entered into an agreement to purchase 735,754 class B shares from Anatom Holding, BioGaia's anchor shareholder.

On September 10, the company announced that it is establishing its own distribution in Germany and Austria.

On October 16, BioGaia announced that the study on BioGaia's new patented strain *L. reuteri* BG-R46® had been published in *Beneficial Microbes*.

On October 28, BioGaia announced that BioGaia and the University of Gothenburg had discovered a new role for gut bacteria: serotonin production.

Key events after the end of the financial year

Key events after the end of the financial year are disclosed in note 29.



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Launches in 2025

Distributor	Country	Product	Brand
Abbott	Oman	BioGaia Protectis drops	BioGaia
Abbott	Qatar	BioGaia Protectis drops	BioGaia
Abbott	Bahrain	BioGaia Protectis drops	BioGaia
Ewopharma	Lithuania	BioGaia Pharax drops	BioGaia
Ewopharma	Estonia	BioGaia Pharax drops	BioGaia
Ewopharma	Latvia	BioGaia Pharax drops	BioGaia
Ewopharma	Czech Republic	BioGaia Prodentis FRESH BREATH lozenges	BioGaia
Abbott	Argentina	BioGaia Protectis chewable tablets with vitamin D	BioGaia
Abbott	Argentina	BioGaia Gastrus	BioGaia
Abbott	Argentina	BioGaia Prodentis	BioGaia
Ethical Nutrition	Argentina	BioGaia Pharax drops	BioGaia
Abbott	Uruguay	BioGaia Protectis drops with vitamin D	BioGaia
Recordati	Italy	BioGaia Protectis drops, easydropper	BioGaia
Everlast	China	BioGaia Prodentis FRESH BREATH lozenges	BioGaia
BioGaia UK	UK	BioGaia Gastrus PURE ACTION	BioGaia
EC	Belgium	Protectis Daily capsules	BioGaia
BioGaia Canada	Canada	BioGaia Gastrus PURE ACTION	BioGaia
Cube	Greece	BioGaia Gastrus PURE ACTION	BioGaia
BioGaia	Sweden	BioGaia Aldermis	BioGaia
BioGaia	Finland	BioGaia Aldermis	BioGaia
BioGaia	UK	BioGaia Aldermis	BioGaia
BioGaia	USA	BioGaia Prodentis FRESH BREATH	BioGaia
Ethical Nutrition	Argentina	BioGaia Protectis Easydropper	BioGaia
Abbott	Argentina	BioGaia Protectis tablets	BioGaia
Abbott	Argentina	BioGaia Prodentis lozenges	BioGaia
Abbott	Argentina	BioGaia Gastrus tablets	BioGaia
Ewopharma	Slovakia	BioGaia Pharax drops	BioGaia
BioGaia	USA	BioGaia Gastrus PURE ACTION	BioGaia
BioGaia	Australia and New Zealand	BioGaia Gastrus PURE ACTION	BioGaia
Pemix	Malta	BioGaia Gastrus	BioGaia
Abbott	Jordan	BioGaia Protectis drops	BioGaia
BioGaia	Sweden	BioGaia Gastrus PURE ACTION	BioGaia
Ewopharma	Poland	BioGaia Gastrus PURE ACTION	BioGaia
BG Distribution	Hungary	BioGaia Gastrus PURE ACTION	BioGaia
Medicatrix	Morocco	BioGaia Protectis drops	BioGaia
Medicatrix	Morocco	BioGaia Protectis tablets	BioGaia
Abbott	Nicaragua	BioGaia Protectis drops	BioGaia
Abbott	Nicaragua	BioGaia Protectis tablets	BioGaia
Abbott	Kuwait	BioGaia Protectis drops	BioGaia
BioVagen	Vietnam	BioGaia Protectis Minipack	BioGaia
Everlast	China	BioGaia Pharax	BioGaia
Everlast	China	BioGaia Protectis drops	BioGaia
BioGaia UK	UK	BioGaia Protectis tablets with a new flavor (lemon)	BioGaia
BG Distribution	Hungary	BioGaia Prodentis KIDS lozenges	BioGaia

Financial performance in 2025

Consolidated net sales amounted to SEK 1,538.2 million (1,422.7), an organic sales increase of 14% (including foreign exchange effects, 8%). Sales were positively impacted by quarterly fluctuations of approximately SEK 35 million.

Sales in EMEA amounted to SEK 497.3 million (507.1), an organic sales increase of 1% (including foreign exchange effects, -2%), which was due to lower sales in the Pediatrics segment. Sales decreased mainly in Germany and Turkey. Sales were negatively affected by the decision to initiate direct sales in Germany.

Sales in APAC totaled SEK 411.9 million (365.8), an organic sales increase of 19% (including foreign exchange effects, 13%), driven by higher sales in both the Pediatrics and Adult Health segments. Sales increased mainly in Australia and Indonesia.

Sales in Americas totaled SEK 629.0 million (549.8), an organic sales increase of 22% (including foreign exchange effects, 14%), driven by higher sales in both the Pediatrics and Adult Health segments. Sales increased mainly in the US, Canada and Peru. Sales in the US totaled SEK 316 million, an organic sales increase of 30% (+21% including foreign exchange effects).

Sales by segment Sales in the Pediatrics segment amounted to SEK 1,154.0 million (1,093.3), an organic sales increase of 11% (including foreign exchange effects, 5.6%).

Sales of BioGaia Protectis drops increased in Americas and APAC compared with the corresponding period last year. Sales increased mainly in Indonesia, Italy and the US.

Sales of BioGaia Protectis tablets within the Pediatrics segment decreased slightly compared with the corresponding period last year. Sales decreased mainly in Brazil and Eastern Europe.

Sales in the Adult Health segment amounted to SEK 372.5 million (321.3), an organic sales increase of 22% (including foreign exchange effects, 15.9%).

Sales of BioGaia Protectis tablets increased compared with the corresponding period last year. Sales increased in APAC, primarily in Australia, Malaysia and Hong Kong.

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

Sales of BioGaia Prodentis increased compared to the corresponding period last year. Sales increased in Americas, mainly in the US and Canada.

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

The gross margin for the Pediatrics segment totaled 76% (75%) and for the Adult Health segment to 66% (63%). The gross margin increased compared with the same period last year due to a more favorable geographic sales mix effect and prior price increases.

Operating expenses and operating profit Operating expenses amounted to SEK 716.1 million (607.4), an increase of SEK 108.7 million (18%). Operating expenses excluding items affecting comparability increased by 29% to SEK

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716.1 million (553.1). There were no items affecting comparability during the year. Items affecting comparability in the preceding year included an impairment charge related to the acquisition of MetaboGen of SEK 51.2 million. Furthermore, items affecting comparability in the preceding year also included the reversal of a provision for legal costs associated with the termination of the distribution agreement in Italy.

Selling expenses amounted to SEK 513.2 million (422.7), an increase of 21%, mainly due to higher costs for sales and marketing activities in subsidiaries as a result of increased direct sales.

Research and development expenses amounted to SEK 115.7 million (157.1), a decrease of 26%.

Administrative expenses amounted to SEK 47.7 million (41.6), an increase of 14%. Administrative expenses were higher this year, while they were lower in the same quarter last year due to the reversal of a provision for legal costs associated with the termination of the distribution agreement in Italy.

Other operating income/expenses refer to exchange losses/gains on receivables and liabilities of an operating nature and amounted to SEK 39.5 million (-14.0).

Operating profit amounted to SEK 412.5 million (423.4), a decrease of 3%. The operating margin was 27% (30%). Adjusted operating profit amounted to SEK 412.5 million (477.6), a decrease of 14%. The adjusted operating margin was 27% (34%).

Net financial items amounted to SEK 8.8 million (24.4). Net financial items were impacted by the adjustment of the value of the earn-out related to Nutraceutics amounting to SEK -2.4 million (-13.5).

Profit after tax and earnings per share Profit after tax amounted to SEK 332.8 million (351.4), a decrease of 5%. The effective tax rate was 21% (22%).

Earnings per share amounted to SEK 3.29 (3.48), basic and diluted.

Balance sheet December 31 Total assets amounted to SEK 1,597.7 million (2,034.0).

Goodwill from the acquisition of Nutraceutics has been adjusted for currency translation. The financial liability for the earn-out has been revalued. For more information, see Note 3.

Compared with the previous year, accounts receivable and inventories increased while accounts payable decreased.

Cash and cash equivalents as at December 31, 2025 amounted to SEK 801.3 million (1,224.0).

Cash flow Cash flow amounted to SEK -406.6 million (-330.6). The cash flow includes a dividend payment of SEK 698.0 million (696.8).

Cash flow from operating activities amounted to SEK 306.6 million (373.2 million). The decrease in cash flow from operations compared with the year-earlier period is primarily due to a lower operating profit.

Cash flow from investing activities amounted to SEK -3.3 million (-14.1).

Parent Company The Parent Company's net sales amounted to SEK 1,129.1 million (1,121.6 million) and profit before tax was SEK 362.7 million (413.3 million). Net financial items include an impairment of shares in BioGaia Pharma AB amounting to SEK 23.5 million. The financial performance of the Parent Company is in all material respects aligned with that of the Group.

Research and development

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

BioGaia's strains of *L. reuteri* are among the most studied probiotics in the world, especially regarding studies in young children. To date, over 290 clinical studies with BioGaia's human strains of *L. reuteri* have been conducted on more than 25,000 individuals of all ages.

Studies have been conducted on:
- Colic and constipation in infants
- Immunomodulation and prevention of infections
- Acute diarrhea
- Antibiotic-related side effects, such as diarrhea
- Treatment of *H. pylori*-infections
- Irritable bowel syndrome (IBS)
- Oral health, such as gingivitis (inflammation of the gums) and periodontitis (tooth loss)
- Osteoporosis
- Autism spectrum disorders
- Urinary tract infections

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

Environmental information

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

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

In 2017, BioGaia established an independent foundation (The Foundation to Prevent Antibiotic Resistance). The aim of the Foundation is to reduce antibiotic resistance through support for research, education and information activities. The goal is for this to promote the use of products and methods that prevent infections or in other ways reduce the use of antibiotics. In a longer perspective, this will also have positive effects on the environment. BioGaia conducts no operations that are subject to permit or notification requirements.

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

Business risks and uncertainties

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

Group

Intangible assets As of the balance sheet date, the group has assets consisting of excess values (SEK 1.6 million) and goodwill (SEK 146.5 million) related to Nutraceutics. There is a risk that these assets may be impaired. BioGaia has tested its intangible assets for impairment and assesses that no impairment requirement exists as at the balance sheet date. For more information, see Note 11.

BioGaia's partners BioGaia sells both directly to end consumers and to distributors (partners) who then resell the products. Distributor agreements normally have a term of 3–7 years.

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

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

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

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

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

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

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

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

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

Employees BioGaia's operations are wholly dependent on the employees' expertise, and the employees are therefore the company's most valuable resource. In order to attract and retain skilled and motivated employees, BioGaia strives to create a culture in which all employees are given the opportunity to develop, influence their own work situation and maintain a good balance between work and leisure in order to avoid stress. The company continuously evaluates the current staffing situation and the need for recruitment.

Product liability BioGaia sells dietary supplements. There is a risk that a consumer could experience damage and claim that this damage is attributable to BioGaia's product. This risk also exists in clinical studies.

For BioGaia, the top priority has always been to ensure that the products that are manufactured and offered to customers are of high quality and are safe to use. The employees concerned are given relevant training in product safety. The agreements with BioGaia's suppliers include quality requirements and the company has processes in place to ensure that the suppliers comply with the agreements.

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

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

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

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

Parent Company

Subsidiary BioGaia Pharma AB The operating loss for the period amounted to SEK -2.4 million (-2.4). During the year, an impairment of SEK 23.5 million was recognized relating to the Parent Company's shares in the subsidiary.

Financial risk management

The overall objective of the group's finance function is to provide cost-effective financing for the group's operations and group companies and to provide secure cash management with a market-based return on investment. The overall objective of financial risk management is to minimize the risks of negative effects on the group's earnings. Consequently, the group's financial investments must have a low risk profile.

Below is a description of the group's assessed risk exposure and the related risk management. For more information, see Note 27.

Currency risk BioGaia has revenue primarily in EUR and USD but also in SEK, JPY and CHF, and expenses primarily in SEK, but also in EUR, JPY and USD. In 2025, the company had a cash flow surplus of approximately EUR 17.1 million (EUR 25.4 million) and a cash flow surplus of USD 50.9 million (USD 45.2 million). For more information, see Note 27.

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

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

Cash flow risk BioGaia has good liquidity. The risk of a liquidity shortage is therefore immaterial. Cash flow amounted to SEK -406.6 million (-330.6). Cash flow includes dividends of SEK -698.2 million (-696.8). Cash and cash equivalents as at December 31, 2025 amount to SEK 801.3 million (1,224.0).

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

No material changes in these risks and uncertainties are deemed to have occurred as at December 31, 2025, except for increased geopolitical and trade-related uncertainty, including challenging global economic conditions, market trends, tariffs and sanctions.

Future outlook

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

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

Financial targets and dividend policy The long-term financial target is an operating margin (operating profit in relation to net sales) of at least 34 percent during continued strong growth with increased investments in research, product development, brand building and the sales organization.

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

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

Employees

The number of employees in the group at December 31, 2025 was 242 (225).

The company has an incentive program for all employees based on both the

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company's sales and results, as well as qualitative targets. The maximum bonus is equal to 12% of annual salary. In addition to this program, BioGaia has also implemented an employee stock option program ("LTIP 2024") and a share-based incentive program ("LTIP 2025"). The programs were approved by the Annual General Meeting.

Resolution at the 2025 Annual General Meeting regarding guidelines for remuneration to senior executives

The Annual General Meeting 2025 resolved on the following guidelines for remuneration to senior executives. The guidelines do not apply to remuneration resolved by the General Meeting.

Promotion of the guidelines for BioGaia's business strategy, long-term interests and sustainability BioGaia performs research and development to provide consumers with clinically proven, health-promoting, patented and user-friendly probiotic products.

Successful implementation of the business strategy and safeguarding BioGaia's long-term interests, including its sustainability, require BioGaia to be able to recruit, motivate and retain competent employees who work to achieve maximum shareholder and customer value. This requires BioGaia to be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

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

The fixed cash salary shall be individual and based on the senior executive's responsibilities and role as well as the individual's competence and experience in the relevant position. The variable cash remuneration may amount to a maximum of 50% of the fixed annual cash salary.

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

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

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

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

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

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

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

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

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

The most recently resolved guidelines were adopted by the Annual General Meeting in 2025 (see above).

Corporate governance

BioGaia has issued a separate corporate governance report. See page 160.

Sustainability reporting

BioGaia has issued a separate sustainability report. See page 60.

Proposed appropriation of profits

The following unrestricted funds in the Parent Company are at the disposal of the Annual General Meeting (SEK):

Retained earnings	603,305,296
Profit for the year	294,451,760
Profits available for appropriation	897,757,056
The Board of Directors proposes that the profits be appropriated as follows	
To be paid as a dividend to the shareholders*	404,649,240
Provision for charitable donations	5,600,000
To be carried forward to new account	487,507,816
Total	897,757,056

*) The proposed dividend consists of a dividend according to policy of SEK 1.64 (1.95) per share plus an extra dividend of SEK 2.36 (4.95) per share.

Mandatory disclosures for ESEF reporting

Name of the reporting entity	BioGaia AB (publ.)	IAS 1 51 a
Legal form of entity	Public limited company (publ.)	IAS 1 138 a
Country of incorporation	Sweden	IAS 1 138 a
Address	Kungsbroplan 3A 112 27 Stockholm	IAS 1 138 a
Principal place of business	Stockholm	IAS 1 138 a
Description of nature of entity'soperations and principalactivities	The company BioGaia is a healthcare company that develops, markets and sells probiotic products with documented positive health effects.	IAS 1 138 b
Name of parent entity	BioGaia AB (publ.)	IAS 1 138 c, IAS 24 13

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Key ratio	2025	2024	2023	2022	2021
Total net sales, SEKm	**1,538.2**	1,422.7	1,296.5	1,104.0	785.1
Net sales, Pediatrics segment, SEKm	**1,154.0**	1,093.2	1,013.5	868.4	603.7
Net sales, Adult Health segment, SEKm	**372.5**	321.2	275.2	230.2	176.9
Other net sales, SEKm	**11.6**	8.2	7.8	5.4	4.6
Product net sales, SEKm	**1,514.8**	1,441.6	1,285.9	1,085.4	753.5
Operating profit, SEKm	**412.5**	423.3	443.1	361.5	253.7
Profit before tax, SEKm	**441.2**	447.8	468.8	447.6	252.7
Profit after tax, SEKm	**332.8**	351.4	365.4	373.8	196.3
Profit after tax attributable to owners of the Parent Company, SEKm	**332.8**	351.4	365.4	373.8	196.3
Growth, net sales, %	**8**	10	17	41	5
Operating margin, %	**27**	30	34	33	32
Profit margin before tax, %	**27**	31	36	41	32
Equity/assets ratio, %	**82**	85	87	89	88
Capital employed, SEKm	**1,319.2**	1,729.3	2,045.5	1,985.0	1,891.6
Return on capital employed, %	**26**	25	24	23	14
Return on equity, %	**22**	19	18	19	11
Average number of employees	**232**	217	213	203	161

Share data [1]					
Number of shares as at Dec 31, thousands	**101,162**	101,162	100,982	100,982	100,982
Average number of shares, thousands	**101,162**	101,072	100,982	100,982	100,982
Earnings per share before dilution, SEK [2)4)]	**3.29**	3.48	3.62	3.70	1.94
Earnings per share, after dilution, SEK [2)4)]	**3.29**	3.48	3.62	3.70	1.94
Equity per share, SEK [4)]	**12.99**	17.06	20.11	19.53	18.59
Equity per share after dilution, SEK [4)]	**12.99**	19	20.11	19.53	18.59
Share price on balance sheet date, SEK	**106.2**	111.9	101	84	518
Dividend per share, SEK	**4.00**[3)]	6.90	6.90	2.90	2.98

[1)] In light of the 5:1 share split that took place in May 2022, historical key ratios from 2021 based on the number of shares have been restated.
[2)] Key ratio defined according to IFRS.
[3)] Dividend proposed but not yet approved.
[4)] Bonus issue elements have been taken into account in the calculation of earnings per share before and after dilution as well as equity per share, which has resulted in the comparative figures being restated. There are no other dilutive effects.

For definitions of key ratios, see page 158.

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Statement of comprehensive income

Amounts in SEK 000s	Note	2025	2024
Net sales	2	**1 538,168**	1,422,718
Cost of sales	2	**-409,587**	-391,975
Gross profit	2	**1,128,581**	1,030,743
Selling expenses	4	**-513,234**	-422,657
Administrative expenses	2, 4	**-47,654**	-41,621
Research and development expenses	2, 7, 11	**-115,722**	-157,104
Other operating income	5	**56**	14,165
Other operating expenses	6	**-39,560**	-155
Operating profit		**412,467**	423,371
Financial income	8	**17,198**	39,372
Financial expenses	9	**-8,446**	-14,924
Net financial items		**8,752**	24,448
Profit before tax		**421,219**	447,819
Tax	10	**-88,455**	-96,431
Profit for the year		**332,764**	351,388
Items that may be reclassified to profit or loss			
Gains/losses on translation of the statements of foreign operations		**-41,825**	22,565
Comprehensive income for the year		**290,939**	373,953
Profit for the year attributable to:			
Owners of the Parent Company		**332,764**	351,388
Non-controlling interests		**-**	-
		332,764	351,388
Comprehensive income for the year attributable to:			
Owners of the Parent Company		**290,939**	373,953
Non-controlling interests		**-**	-
		290,939	373,953
Earnings per share			
Earnings per share (SEK), before and after dilution		**3.29**	3.48
Number of shares, thousands		**101,162**	101,162
Average number of shares, thousands		**101,162**	101,072

Statement of cash flows

Amounts in SEK 000s	Note	2025	2024
Operating activities			
Operating profit		**412,467**	423,371
Adjustments for non-cashitems:			
Depreciation/Amortization		**24,666**	25,545
Impairment of development projects		**-**	51,150
Other non-cash items	26	**8,826**	-3,537
		445,959	496,529
Interest received		**17,215**	39,363
Interest paid		**-780**	-1,446
Taxes paid		**-112,907**	-111,514
Cash flow from operating activities before changes in working capital		**349,487**	422,932
Cash flow from changes in working capital:			
Inventories		**-24,934**	31,771
Current receivables		**-40,090**	-85,647
Accounts payable		**9,772**	-1,223
Current interest-free operating liabilities		**12,331**	5,384
Cash flow from operating activities		**306,566**	373,217
Investing activities:			
Acquisition of property, plant and equipment	13	**-3,524**	-13,756
Acquisition of intangible assets	20	**-75**	-397
Sale of property, plant and equipment		**256**	80
Cash flow from investing activities		**-3,343**	-14,073
Financing activities:			
Dividend		**-698,020**	-696,778
Amortization lease liability		**-6,847**	-9,355
Provision to Foundation		**-5,000**	-4,400
New share issue		**-**	20,815
Cash flow from financing activities		**-709,867**	-689,718
Cash flow for the year		**-406,644**	-330,574
Cash and cash equivalents at beginning of the year		**1,223,984**	1,544,192
Exchange differences in cash and cash equivalents		**-16,030**	10,366
Cash and cash equivalents at end of year		**801,310**	1,223,984

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Statement of financial position

Amounts in SEK 000s	Note	Dec. 31, 2025	Dec. 31, 2024
Assets			
Non-current assets:			
R&D projects in progress	11	**702**	767
Goodwill	11	**146,496**	175,104
Right-of-use assets	12	**22,932**	30,183
Property, plant and equipment	13	**158,218**	175,436
Financial assets	20	**28,013**	28,013
Deferred tax assets	10	**22,328**	14,266
Deposits		**44**	52
Total non-current assets		**378,733**	423,821
Current assets:			
Inventories	15	**166,704**	152,889
Accounts receivable	16, 20	**216,168**	189,774
Other receivables	18	**19,698**	32,346
Deferred expenses and accrued income	19	**15,194**	11,192
Cash and cash equivalents	20	**801,310**	1,223,984
Total current assets		**1,219,074**	1,610,185
Total assets		**1,597,807**	2,034,006

Statement of financial position

Amounts in SEK 000s	Note	Dec. 31, 2025	Dec. 31, 2024
Equity and liabilities			
Equity	21		
Share capital		**20,232**	20,232
Other contributed capital		**1,174,155**	1,174,155
Foreign currency translation reserve		**-3,325**	38,501
Retained earnings including profit for the year		**123,156**	491,044
Total equity attributable to owners of the Parent Company		**1,314,218**	1,723,932
Non-controlling interests	14, 17	**2**	2
Total non-controlling interests		**2**	2
Total equity		**1,314,220**	1,723,934
Non-current liabilities:			
Deferred tax liability	10	**4,957**	5,444
Other liabilities	27	**79,488**	98,425
Total non-current liabilities		**84,445**	103,869
Current liabilities:			
Prepayments from customers	20	**11,021**	8,835
Accounts payable	20	**56,665**	48,299
Current tax liabilities	23	**5,574**	33,461
Other liabilities	23	**21,335**	14,292
Accrued expenses and deferred income	24	**104,547**	101,316
Total current liabilities		**199,142**	206,203
Total liabilities		**283,587**	310,072
Total equity and liabilities		**1,597,807**	2,034,006

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Statement of changes in equity

Amounts in SEK 000s	Share capital	Other contributed capital	Foreign currency translation reserve	Retained earnings including profit for the year	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
Opening equity, January 1, 2024	**20,196**	**1,153,376**	**15,936**	**840,834**	**2,030,340**	**2**	**2,030,342**
Dividend				-696,778	-696,778		-696,778
Provision to foundation				-4,400	-4,400		-4,400
New share issue	36	20,779			20,815		20,815
Total transactions with owners	**36**	**20,779**		**-701,178**	**-680,363**		**-680,363**
Profit for 2024				351,388	351,388		351,388
Other comprehensive income							
Gains/losses on translation of the statements of foreign operations			22,565		22,565		22,565
Comprehensive income for the year			**22,565**	**351,388**	**373,953**		**373,953**
Closing equity, December 31, 2024	**20,232**	**1,174,155**	**38,501**	**491,044**	**1,723,932**	**2**	**1,723,934**
Opening equity, January 1, 2025	**20,232**	**1,174,155**	**38,501**	**491,044**	**1,723,932**	**2**	**1,723,934**
Dividend				–698,020	–698,020		–698,020
Provision to foundation				–5,000	–5,000		–5,000
Share-based remuneration				**2,368**	**2,368**		**2,368**
Total transactions with owners				**-700,652**	**-700,652**		**-700,652**
Profit for 2025				**332,764**	**332,764**		**332,764**
Other comprehensive income							
Gains/losses on translation of the statements of foreign operations			-41,825		-41,825		-41,825
Comprehensive income for the year			**-41,825**	**332,764**	**290,939**		**290,939**
Closing equity, December 31, 2025	**20,232**	**1,174,155**	**-3,322**	**123,156**	**1,314,218**	**2**	**1,314,220**

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Parent Company

Income statement

Amounts in SEK 000s	Note	2025	2024
Net sales	2	**1,129,094**	1,121,581
Cost of sales	2	**-403,717**	-407,727
Gross profit	2	**725,377**	713,854
Selling expenses	2	**-204,068**	-191,197
Administrative expenses	4	**-47,643**	-39,057
Research and development expenses	2, 7, 11	**-99,455**	-147,888
Other operating expenses	5	**-39,454**	14,039
Operating profit		**334,757**	349,751
Result from financial investments			
Impairment loss on shares in group companies	14	**-37,464**	-1,968
Interest income and similar profit/loss items	8	**72,387**	66,757
Interest expenses and similar profit/loss items	9	**-6,949**	-1,271
Net financial items		**27,974**	63,518
Profit before tax		**362,731**	413,269
Tax on profit for the year	10	**-68,279**	-78,848
Profit for the year		**294,452**	334,421

The Parent Company has no transactions in other comprehensive income, therefore the comprehensive income for the year corresponds to the profit for the year above. As a result, the company does not present a separate statement of comprehensive income for the Parent Company.

Statement of cash flows

Amounts in SEK 000s	Note	2025	2024
Operating activities			
Operating profit		**334,757**	349,751
Adjustments for non-cash items:			
Depreciation/Amortization		**1,889**	2,363
Impairment losses on development projects		**-**	45,850
Other non-cash items	26	**11,655**	-4,496
Interest received		**15,623**	36,757
Interest paid		**-185**	-535
Taxes paid		**-84,683**	-87,597
Cash flow from operating activities before changes in working capital		**279,056**	342,093
Cash flow from changes in working capital:			
Inventories		**-21,061**	39,303
Current receivables		**-50,351**	-70,142
Accounts payable		**7,469**	-8,155
Current interest-free operating liabilities		**79,264**	43,449
Cash flow from operating activities		**294,377**	346,548
Investing activities:			
Acquisition of intangible assets		**-75**	-397
Acquisition of property, plant and equipment	13	**-251**	-633
Sale of property, plant and equipment	13	**-**	80
Acquisition of financial assets	14	**-43,020**	-14,242
Dividends from subsidiaries		**50,000**	30,000
Cash flow from investing activities		**6,653**	14,808
Financing activities			
Dividend		**-698,020**	-696,778
Provision to foundation		**-5,000**	-4,400
New share issue		**-**	20,815
Cash flow from financing activities		**-703,020**	-680,363
Cash flow for the year		**-401,990**	-319,007
Cash and cash equivalents at beginning of the year		**976,509**	1,291,037
Exchange differences in cash and cash equivalents		**-9,285**	4,479
Cash and cash equivalents at end of year		**565,234**	976,509

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Parent Company

Balance sheets

Amounts in SEK 000s	Note	Dec. 31, 2025	Dec. 31, 2024
Assets			
Non-current assets			
Intangible assets	11		
Capitalized development expenses		**702**	767
Total intangible assets		**702**	767
Property, plant and equipment	13		
Production machinery		**6,817**	8,297
Equipment and computers		**-**	18
Total property, plant and equipment		**6,817**	8,315
Financial assets			
Participations in group companies	14	**259,649**	256,307
Non-current receivables from subsidiaries		**7,730**	5,516
Deferred tax assets	10	**4,126**	2,442
Total financial assets		**271,505**	264,265
Total non-current assets		**279,024**	273,347
Current assets			
Inventories	15	**100,051**	78,989
Current receivables			
Accounts receivable	16, 20	**146,017**	140,409
Receivables from group companies	17	**83,042**	44,379
Other receivables	18	**18,521**	23,599
Deferred expenses and accrued income	19	**3,846**	3,844
Total current receivables		**251,426**	212,231
Cash and cash equivalents	20	**565,234**	976,509
Total current assets		**916,711**	1,267,729
Total assets		**1,195,735**	1,541,076

Balance sheets

Amounts in SEK 000s	Note	Dec. 31, 2025	Dec. 31, 2024
Equity and liabilities			
Equity	21		
Restricted equity			
Share capital		**20,232**	20,232
Other restricted equity		**1,253**	1,253
		21,485	21,485
Non-restricted equity			
Retained earnings		**603,305**	970,101
Profit for the year		**294,452**	334,421
	22	**897,757**	1,304,522
Total equity		**919,242**	1,326,007
Liabilities			
Other liabilities		**5,062**	-
Total non-current liabilities		**5,062**	-
Current liabilities			
Prepayments from customers		**2,919**	28
Accounts payable		**33,342**	25,873
Liabilities to group companies	17	**146,427**	67,479
Other liabilities	23	**5,342**	2,558
Current tax liabilities		**4,891**	30,768
Accrued expenses and deferred income	24	**78,510**	88,363
Total current liabilities		**271,432**	215,069
Total liabilities		**276,494**	215,069
Total equity and liabilities		**1,195,735**	1,541,076

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Statement of changes in equity

Amounts in SEK 000s	Share capital	Other restricted equity	Retained earnings	Profit for the year	Total equity
Opening equity, January 1, 2024	**20,196**	**1,253**	**1,650,500**		**1,671,949**
Dividend			-696,778		-696,778
Provision to foundation			-4,400		-4,400
New share issue	36		20,779		20,815
Profit for 2024				334,421	334,421
Closing equity, December 31, 2024	**20,232**	**1,253**	**970,101**	**334,421**	**1,326,007**
Opening equity, January 1, 2025	**20,232**	**1,253**	**970,101**	**334,421**	**1,326,007**
Dividend			-698,020		-698,020
Provision to foundation			-5,000		-5,000
Share-based remuneration			1,803		1,803
Profit for 2025				294,452	294,452
Closing equity, December 31, 2025	**20,232**	**1,253**	**603,305**	**294,452**	**919,242**

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Notes to the financial statements and accounting policies

All figures in SEK 000s unless otherwise specified. Figures in parentheses refer to the previous year.

Note 1 Accounting policies

Compliance with norms and laws

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC) that have been approved by the European Commission for application in the EU.

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities, i.e. the same accounting policies as the group except in cases where the Parent Company's compliance with the Swedish Annual Accounts Act limits the applicability of IFRS in the Parent Company.

New or revised standards from January 1, 2025 The new or revised standards and interpretations that have been issued and apply from January 1, 2025 have not affected the group's accounting.

New or amended IFRS standards and new interpretations 2026 and onwards There are no new or amended standards and interpretations that are approved for application from 2026 and onwards that are considered to have any significant impact on the Group's financial statements. IFRS 18 Presentation and disclosures in the financial statements was issued in 2024 and shall be applied for financial years beginning on 1 January 2027. The standard does not affect the recognition or measurement of items in the financial statements, only presentation and disclosures. An analysis of the standard's effects on the Group is ongoing.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis unless otherwise specified. Non-current assets, non-current liabilities and provisions essentially consist of amounts expected to be recovered or settled more than 12 months after the closing date. Current assets and current liabilities essentially consist of amounts expected to be recovered or settled within 12 months from the closing date.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are of significant importance to the consolidated financial statements, are specified in note 28.

Basis of consolidation

The consolidated financial statements consolidate the operations of the Parent Company and subsidiaries for the period ended December 31, 2025. The Parent Company controls the subsidiaries and has the ability to affect returns from its involvement with the subsidiaries through its power over the subsidiaries. All subsidiaries have their balance sheet date on December 31.

All intragroup transactions and balances are eliminated in full on consolidation, including unrealized gains and losses arising from intercompany transactions. In cases where unrealized losses on intragroup sales of assets are reversed on consolidation, the underlying asset is tested for impairment also from a group perspective. When necessary, amounts reported in the financial statements of subsidiaries have been adjusted to ensure conformity with the accounting policies of the group.

Profit/loss and other comprehensive income for subsidiaries that are acquired or sold during the year are recognized from the date on which the acquisition or sale went into force, according to what is applicable. Non-controlling interests, recognized as a component of equity, represent the share of thesubsidiary's profit or loss and net assets that is not held by the group. The group attributes comprehensive income for the subsidiaries to the owners of the Parent Company and non-controlling interests based on their respective holdings. Transactions involving the acquisition and disposal of shares in companies where there are non-controlling interests are recognized in the Statement of cash flows under "Cash flow from investing activities" and in the Statement of changes in equity as "Transactions with owners."

Provision to the "Foundation to Prevent Antibiotic Resistance"

The provision to the "Foundation for the Prevention of Antibiotic Resistance" was approved at the Annual General Meeting and is in accordance with the Swedish Companies Act, Chapter 17 Section 5 regarding donations for charitable purposes. The provision is recognized as an equity transaction. Support for recognition of the provision as an equity transaction is found in the Conceptual Framework for Financial Reporting in the section Financial performance reflected by accrual accounting (1.17ff). BioGaia has assessed that the company does not have a controlling interest over the Foundation according to IFRS 10, which is why the Foundation is not consolidated. The assessment is based, among other factors, on the fact that the Foundation is an independent entity and that BioGaia has no right to proceeds (positive or negative) from the Foundation.

Foreign currency translation

- **Functional currency** The functional currency is the currency of the primary economic environments in which the companies in the group operate.
- **Transactions** Foreign currency transactions are translated to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing day rate. Exchange differences arising on translation are recognized in profit or loss. Non-monetary assets and liabilities carried at cost are translated at the exchange rate on the transaction date. Non-monetary assets and liabilities measured at fair value are translated to the functional currency at the exchange rate on the date when the fair value was determined. Changes in value of operating receivables and liabilities are recognized in operating profit, while changes in value related to financial receivables and liabilities are recognized in net financial items.
- **Financial statements of foreign operations** Assets and liabilities in foreign group companies are translated from the group company's functional currency to the group's presentation currency, Swedish kronor (SEK), at the closing day rate. Income and expenses in foreign operations are translated to SEK at an average rate that is a reasonable approximation of actual rates on the respective transaction dates. An average rate is computed quarterly. Exchange differences arising on translation of foreign group companies are recognized in other comprehensive income.
- **Net investments in group companies** Receivables from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, part of the company's net investment in that foreign operation. Exchange differences arising on translation of non-current loans in foreign currency that form part of the net investment in a foreign operation are deferred to a translation reserve in other comprehensive income.

Segment reporting

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

- **Pediatrics segment** (drops, gut health tablets, oral rehydration solution (ORS) and cultures used as ingredients in a licensee's product (such as porridge and infant formula) as well as royalty revenue for pediatric products).
- **Adult Health segment** (gut health tablets, bone health tablets and oral health lozenges, as well as cultures as an ingredient in a licensee's dairy products).
- **Other** (royalties in respect of development projects, revenue from packaging solutions in the subsidiary CapAble, etc.).

Sales and gross profit are reported for the above segments and are monitored regularly by the CEO (who is regarded as the chief operating decision maker) together with Executive Management. There is no monitoring of the company's total assets against the segments' assets.

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Revenue recognition

BioGaia applies IFRS 15 for revenue recognition. Details of BioGaia's revenue streams are provided below.

BioGaia's revenues mainly comprise sales of goods. No commitments for BioGaia remain after delivery since BioGaia does not provide customers with any extended guarantees or the option to return. Control is transferred to the customer when the good is placed at the disposal of the purchaser.

In addition to the sales of goods, revenues consist of royalties or exclusivity rights linked to product distribution in a defined market/territory. These contracts include obligations over time and revenue is recognized in pace with fulfillment of BioGaia's performance obligations, i.e. over time. The transaction price, i.e. the compensation BioGaia expects to receive in exchange for the goods and services is in most cases fixed and therefore easy to determine. Variable compensation occurs in individual cases, often in combination with requirements for minimum levels of sales, which simplifies assessment of the transaction price. Interest income is recognized in profit or loss in the period to which it pertains.

Contractual assets consist of accrued income. Accrued income refers to the right to compensation for products and services that have been transferred to the customer, but for which the group has not yet received payment, and primarily consists of royalties. Contractual liabilities are a company's obligation to transfer goods or services to a customer for which the company has received compensation from the customer. These mainly comprise prepayments related to orders that will be delivered.

Pensions

All employees in Sweden are subject to mandatory retirement in accordance with Swedish legislation, and other employees in accordance with the legislation of their respective countries. The company has no pension commitments other than payment of current pension insurance premiums. The pension insurance premiums are defined contribution and are expensed as incurred.

Share-based remuneration

The company has an incentive program for all employees based on both the company's sales and results, as well as individual targets. The maximum bonus is equal to 12% of annual salary. In addition to this program, BioGaia has also implemented an employee stock option program ("LTIP 2024") and a share-based incentive program ("LTIP 2025"). The programs were approved by the Annual General Meeting.

The programs are accounted for in accordance with IFRS 2, which means that the rights are measured at the grant date at the fair value of the equity instruments granted. Social security expenses are recognized as a personnel expense in accordance with UFR 7 and are based on the fair value of the granted rights as at the closing date. The granted rights are recognized as a personnel expense over the three-year vesting period but have no impact on cash flow. For further information on the impact on the consolidated income statement and statement of financial position, see Note 3.

Terms of the LTIP 2024

The options may be exercised for subscription of class B shares, in accordance with the terms of the options, provided that certain strategic and operational targets set by the Board of Directors are achieved. The targets are determined in advance by the Board and are linked to key milestones in the company's development, such as the company's financial performance and achievement of its strategic objectives.

The Board determines whether the vesting conditions have been met, and the Board's decision is final and binding. Another requirement is that the holder of the options remains employed until the options are exercised.

Terms of the LTIP 2025

Each performance share right entitles the holder to receive class B shares in the company free of charge upon achievement of specific performance criteria following a performance period of approximately three years. Below is a description of how the various targets will be measured.

The operating margin represents 45% of the weighting in the performance share program ("the program"). The target will be measured between a threshold level and a maximum level during the program's term, with a linear allocation of the instruments based on the results between the two levels. If the outcome is below the threshold level, no shares linked to the target will be allocated.

Sales growth represents 45% of the weighting in the Program. The target, like the operating margin target, will be measured between a threshold level and a maximum level. Given a scenario with an outcome between the threshold level and the maximum level, a linear allocation will be granted to the participant. If the threshold level is not achieved, no shares will be allocated to the participant.

ESG represents 10% of the weighting in the program. Unlike the other targets in the program, the ESG target will be measured against an absolute threshold. When the criterion is met, shares will be allocated. If the threshold level is not achieved, no shares will be allocated to the participant.
The shares are linked to the participant's employment with BioGaia. If the employment with BioGaia ends before the share rights have been converted into shares, all of the participant's unvested shares will be canceled, with certain exceptions for customary "Good Leaver" situations.

Income taxes

Current tax refers to tax calculated on the taxable profit for the period. Taxable profit differs from recognized profit in the consolidated income statement as it has been adjusted for non-taxable income and non-deductible expenses as well as for income and expenses that are taxable or deductible in other periods.

Deferred tax refers to the tax calculated partly on temporary differences and partly on tax losses.

At every closing date, an assessment is made to determine whether to recognize deferred tax assets not previously recognized in the balance sheet. Such tax assets are recognized to the extent that it is probable that sufficient taxable profits will be available in the future.

Research and development expenses

Expenditure on research is recognized as an expense in the period in which it is incurred. Expenditure on development is recognized as an intangible asset when all of the following conditions are met:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the company's intention to complete and use or sell the intangible asset
- the ability to use or sell the intangible asset
- it is probable that the intangible asset will generate future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to reliably measure the expenditure attributable to the intangible asset during its development

Other expenditure on development is recognized as an expense in the period in which it is incurred. An individual assessment of all ongoing research and development projects is made quarterly to determine which costs can be capitalized. The carrying amount of capitalized expenditure includes all directly attributable expenses such as materials, purchased services, and employee costs.

BioGaia typically has research activities in the form of clinical studies underway parallel to product development. Much of BioGaia's product development consists of stability tests to ensure that the products remain stable throughout their shelf lives. While the clinical studies and stability tests are in progress, it is often not possible to be certain that the project will be successful and that the product can be sold. This means that projects often do not meet the requirements for capitalization. Other aspects of product development include finding new delivery systems and developing existing products. Amortization of capitalized development costs begins when the asset can be used and the products start generating revenue, and is carried out on a straight-line basis over the expected useful life of the asset.

IFRS 16 Leases

- **The group as lessee** The group assesses whether a contract is or contains a lease contract at the commencement date. The group recognizes a right-of-use asset and a corresponding lease liability for all leases in which the group is the lessee. However, this does not apply to short-term lease agreements (defined as leases with a lease term of 12 months or less) or to leases where the underlying asset is of low value. For these leases, the group recognizes lease payments as an operating expense on a straight-line basis over the lease term, if no other systematic method better reflects how the economic benefits from the underlying asset will be consumed by the lessee. The lease liability is initially measured at the present value of lease payments not paid as of the commencement date, discounted by using the lease's implicit interest rate. If this interest rate cannot be easily identified, the group uses the incremental borrowing rate. The incremental borrowing rate is the interest rate that a lessee would need to pay for financing through borrowing during a corresponding period and with corresponding security, for right-of-use of an asset in a similar economic environment.

  Lease payments included in the measurement of the lease liability comprise:
  - fixed lease payments (including in-substance fixed payments) less any incentives,
  - variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date.

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Non-current lease liabilities are recognized as a separate item and current lease liabilities are recognized together with other current liabilities.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) if:

- The lease term has changed or there is a change in the assessment of an option to purchase the underlying asset. In such cases, the lease liability is remeasured by discounting the changed lease payments with a changed discount rate.
- Lease payments change due to changes in an index or rate or a change in the amount expected to be paid out under a residual value guarantee. In such cases, the lease liability is remeasured by discounting the changed lease payments with the initial discount rate (provided the changes in lease payments are not due to changed variable interest rate, when a changed discount rate will be used instead).
- A lease contract is changed and the change is not recognized as a separate lease. In such cases, the lease liability is remeasured by discounting the changed lease payments with a changed discount rate.

At acquisition, right-of-use assets are recognized at the value of a corresponding lease liability, lease payments made on or before the commencement date, as well as any initial direct payments. In subsequent periods, they are measured at cost after deduction for accumulated amortization and impairment.

Amortization of right-of-use assets takes place over an estimated useful life or over the contractual lease term, if this is shorter. If a lease contract transfers ownership to the underlying asset at the end of the lease term or if the cost for right-of-use reflects that the group expects to exercise a call option, amortization takes place over the useful life of the underlying asset. Amortization starts as at the commencement date for the lease contract. Right-of-use assets are presented on a separate line in the group's statement of financial position.

The group applies IAS 36 Impairment of Assets to determine whether there is an impairment requirement for the right-of-use and reports any identified impairment in the same manner as described in the principles for property, plant and equipment.

Intangible and property, plant and equipment

Intangible and property, plant and equipment are measured at cost less accumulated amortization and any impairments. Goodwill with an indefinite useful life is not amortized.

Intangible assets are amortized on a straight-line basis over their expected useful lives. The following depreciation periods are applied for non-current assets:

Non-current assets	
Production machinery and laboratory equipment	5–10 years
Equipment and computers	3–5 years
Buildings	20–60 years
Development projects	3–10 years

If there is an indicator of impairment, the asset's recoverable amount is estimated. For goodwill with an indefinite useful life and development projects, the recoverable amount is also estimated each year. The recoverable amount is the higher of fair value less costs of disposal and value in use. When calculating value in use, future cash flows are discounted using a discount factor that takes into consideration the risk-free interest rate and the risk associated with the specific asset. Impairment is charged to profit or loss and recognized when an asset's or cash-generating unit's carrying amount exceeds the recoverable amount.

Depreciation of buildings starts when construction is completed. For electrical and internal construction work, etc., the depreciation period is 20–30 years, and for framework and foundation, the depreciation period is 60 years.

Inventories

Inventories are measured at the lower of cost and net realizable value, including provisions for obsolescence. Cost is measured according to purchase price taking into account the FIFO method.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank deposits.

Financial assets and liabilities

The group's accounting policies in accordance with IFRS 9 for financial instruments are provided below.

- **Financial instruments** Financial instruments recognized in the statement of financial position include on the assets side cash and cash equivalents, accounts receivable, other current receivables and currency derivatives to the extent these have a positive fair value. On the liabilities side, there are accounts payable, other current liabilities, loans and currency derivatives to the extent these have a negative fair value. The category to which the group's financial assets and liabilities belong is specified in Note 20.
- **Recognition and derecognition from the statement of financial position** A financial asset or liability is recognized in the statement of financial position when the company becomes party to the contractual terms of the instrument. A receivable, except accounts receivable, is recognized when the company has performed and a contractual obligation exists for the counterparty to pay, even if no invoice has yet been sent. Accounts receivable are recognized in the statement of financial position when an invoice has been sent. Liabilities, except accounts payable, are recognized when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recognized when an invoice is received. A financial asset is derecognized from the statement of financial position when the contractual rights are realized, expire or the company has relinquished control. The same applies to part of a financial asset. A financial liability is derecognized from the statement of financial position when the contractual obligations are met or otherwise extinguished. The same applies to part of a financial liability. No currency derivatives or other financial assets and liabilities are offset in the statement of financial position since the terms for offsetting are not met. Acquisition and disposal of financial assets are recognized on the transaction date. The transaction date is the day the company undertakes to acquire or dispose of the asset.
- **Classification and measurement** Financial assets are classified on the basis of the business model in which the asset is held and its cash flow characteristic. If the financial asset is held within the framework of a business model whose objective is collecting contractual cash flows and the contractual terms of the financial asset at identified dates give rise to cash flows that are solely payments of principal and interest on outstanding principal, the asset is recognized at amortized cost.

  If the financial asset is held in a business model whose objective can be achieved both by collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset at identified dates give rise to cash flows that are solely payments of principal and interest on outstanding principal, the asset is recognized at fair value through other comprehensive income.

  All other business models where the purpose is speculation, holding for trading or where the cash flow characteristic excludes other business models result in recognition at fair value through profit or loss.
- **Amortized cost and effective interest method** Amortized cost for a financial asset is the amount at which the financial asset is measured at initial recognition minus principal, plus the accumulated amortization using the effective interest method of any difference between the principal amount and the outstanding principal, adjusted for impairment. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjustment for any loss allowance.
- **Financial liabilities** Financial liabilities are recognized at amortized cost using the effective interest method or at fair value through profit or loss.
- **Financial liabilities at amortized cost** Loans and other financial liabilities, e.g. accounts payable, are included in this category. Liabilities are measured at amortized cost.
- **Financial liabilities measured at fair value through profit or loss** This category consists of financial liabilities measured at fair value through profit or loss. This category includes provision for the additional purchase price for Nutraceutics.
- **Impairment** The group recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost or fair value through other comprehensive income, for a lease receivable or for a contractual asset. As at each closing date, the group shall recognize in profit or loss the change in expected credit losses since the initial recognition date.

  For accounts receivable, contractual assets and lease receivables there is a simplified model, which mean that the group directly recognizes expected credit losses for the remaining term of the asset. The expected credit losses for these financial assets are calculated using a provision matrix based on historical credit losses, current conditions and forecasts for future economic conditions and the time value of money if applicable. For all other financial assets, the group shall measure a loss allowance to an amount that corresponds to 12 months' expected credit losses. For financial instruments for which a significant increase in credit risk has occurred since the initial recognition date, an allowance is recognized based on credit losses for the entire term to maturity of the asset. Equity instruments are not subject to these impairment rules.

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Default is based on an assessment that it is improbable that a counterparty will meet its commitments on the basis of indicators such as financial difficulties and failure to pay. Regardless of the above, this occurs at the latest when the payment is 90 days overdue.

Measurement of financial instruments at fair value

Financial assets and financial liabilities measured at fair value in the balance sheet, or for which disclosures are provided about fair value, are classified into one of three levels based on the information used to determine the fair value.

- **Level 1,** Financial instruments where fair value is determined based on observable (unadjusted) quoted prices in an active market for identical assets and liabilities. A market is considered active if quoted prices from an exchange, broker, industrial group, pricing service, or regulatory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length.
- **Level 2,** Financial instruments where fair value is determined based on valuation models that are based on observable inputs for the asset or liability other than quoted prices included in Level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations). Examples of observable inputs within level 2 are:
  · Quoted prices for similar assets and liabilities.
  · Data on which an assessment of price can be based, such as market interest rates and yield curves.
- **Level 3,** Financial instruments where fair value is determined based on valuation models where significant inputs are based on unobservable data.

Accounting policies of the Parent Company

The differences between the accounting policies applied by the group and the Parent Company are described below. The following accounting policies for the Parent Company stated below have been applied consistently for all periods presented in the Parent Company financial statements.

- **Presentation** The income statement and balance sheet of the Parent Company are presented in accordance with the schedules in the Swedish Annual Accounts Act.
- **Income taxes** The Parent Company recognizes untaxed reserves including the deferred tax liability. In the consolidated financial statements, however, untaxed reserves are divided between the deferred tax liability and equity.
- **Subsidiaries** In the parent company, shareholdings in subsidiaries are accounted for on a historical cost basis. Group contributions are recognized as an increase in shares in subsidiaries. The carrying amount is regularly tested against the subsidiaries' consolidated equity and may be subject to impairment.
- **Lease payments** Lease payments are recognized as an expense on a straight-line basis over the lease period unless a different systematic method better reflects the economic benefit over time.
- **IFRS 9** The Parent Company applies a simplified approach to classification under IFRS 9. Otherwise, IFRS 9 is applied in respect of loss allowances, for example.

Approved changes to RFR 2 that have not yet come into effect

The Swedish Financial Reporting Board has not approved any material changes that have not yet come into effect.

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Note 2 Segment reporting

BioGaia's operating segments consist of Pediatrics and Adult Health. The Pediatrics segment includes sales of drops, oral rehydration solution (ORS), gut health tablets and cultures as an ingredient in a licensee's product (such as infant formula). The Adult Health segment mainly includes gut health tablets, bone health products and oral health products, as well as sales of cultures as an ingredient in a licensee's dairy product and royalties related to Adult Health products.

Sales and gross profit are reported for the above segments and are monitored regularly by the CEO (who is regarded as the chief operating decision maker) together with Executive Management. There is no monitoring of the company's total assets against the segments' assets.

Other consists of a number of smaller segments, such as revenue related to royalties in subsidiaries. Together these account for less than 10% of sales and are therefore not reported separately.

Net sales by segment

	Group	
	2025	2024
Pediatrics	**1,154,012**	1,093,278
Adult Health	**372,533**	321,288
Other	**11,623**	8,153
	1,538,168	1,422,718

Gross profit by segment

Pediatrics	**871,349**	823,518
Adult Health	**245,760**	199,072
Other	**11,472**	8,153
	1,128,581	1,030,743
Selling, administrative and R&D expenses	**-671,609**	-621,382
Other operating income/expenses	**-39,505**	14,010
Operating profit	**412,467**	423,371
Net financial items	**8,753**	24,448
Group profit before tax	**421,220**	447,819

In 2025 SEK 303.4 (279.0) million or 20% (20%) of revenue in the group was attributable to three customers. These three customers belong to both the Pediatrics and Adult Health segments. In2025, nocustomer accounted for more than10% of sales.

Asia Pacific

Pediatrics	**283,593**	238,181
Adult Health	**123,004**	120,852
Other	**5,295**	6,798
	411,892	365,831

EMEA

Pediatrics	**404,304**	423,687
Adult Health	**89,087**	82,088
Other	**3,915**	1,336
	497,306	507,111

Americas

Pediatrics	**466,115**	431,410
Adult Health	**160,442**	118,348
Other	**2,413**	18
	628,970	549,776
Total	**1,538,169**	1,422,718

Date of recognition

	Group		Parent Company	
	2025	2024	**2025**	2024
Performance obligations met on specific date (Product sales)	**1,514,831**	1,411,616	**951,547**	964,471
Performance obligations met over time (Licenses and royalties)	**23,338**	11,102	**9,835**	2,333
Total	**1,538,169**	1,422,718	**961,382**	966,804

Contractual assets

Accrued income (Royalties)	**624**	447	**351**	351
Total	**624**	447	**351**	351

Contractual assets where performance obligations are met over time refer to royalties. The variation between the periods is primarily related to timing of invoicing.

Contractual liabilities

Prepayments from customers	**17,804**	19,553	**7,820**	-
Total	**17,804**	19,553	**7,820**	-

Contractual liabilities where performance obligations are met over time refer to prepayments from customers of exclusivity remuneration, license and royalty revenue. The change relates to a reduction in liability for license and exclusivity remuneration.

For contractual liabilities at the beginning of the year, SEK 6.0 million was recognized as revenue during the year. For contractual liabilities at the end of the year, these will be recognized as revenue over the next five years.

Performance obligations met on specific date (Product sales)

	Group	
	2025	2024
Pediatrics	**1,147,342**	1,093,278
Adult Health	**359,025**	311,003
Other	**8,464**	7,335
Total	**1,514,831**	1,411,616

Performance obligations met over time (royalties)

Pediatrics	**6,670**	-
Adult Health	**13,508**	10,285
Other	**3,160**	817
Total	**23,338**	11,102

Of the group's assets, which amount to SEK 1,597.8 million (2,034.0), more than 75% (75%) are located in Europe. Of the group's capital expenditure on property, plant and equipment during the year, totaling SEK 3.5 million (13.8), more than 60% (70%) took place in Europe.

Sales in Sweden accounted for SEK 24.8 million (22.9) or 2% (2%) of total revenue in the group. The Group's largest markets are the US, China, Canada, Japan and Brazil (US, Brazil, China, Canada and Japan). These markets account for approximately 41% (41%) of total revenue. Sales in the US amounted to SEK 316.4 million (261.8), or approximately 21% (18%) of the Group's total revenue.

The Group's non-current assets amount to SEK 378.7 million (423.8), of which SEK 213.4 million (226.0) is located in Sweden, SEK 155.8 million (190.5) in the US and SEK 9.6 million (7.3) in other countries.

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Note 3 Employees and personnel expenses, remuneration to senior executives

Average number of employees by country

	2025	of whom men	2024	of whom men
Parent Company:				
Sweden	**108**	**36**	106	40
Subsidiaries:				
Sweden	**36**	**27**	35	26
Japan	**38**	**18**	35	15
USA	**33**	**12**	31	11
Finland	**3**	**-**	3	-
UK	**4**	**1**	2	1
Canada	**5**	**3**	4	2
Australia	3	1	2	1
France	**1**	**0**	0	0
Germany	1	1	0	0
Total subsidiaries	**124**	**63**	112	56
Total group	**232**	**99**	217	96

The number of employees in the group at December 31, 2025 was 242 (225).

Salaries and other remuneration by country, and between the Board of Directors and the CEO, and other employees

	2025 Board, CEO and Vice Presidents	2025 Other employees	2024 Board, CEO and Vice Presidents	2024 Other employees
Parent Company:				
Sweden	**16,699**	**88,759**	13,822	86,986
Subsidiaries:				
Sweden	**2,420**	**18,744**	1,712	14,538
Japan	**4,556**	**9,853**	4,070	10,995
USA	**3,859**	**33,346**	3,702	26,010
Finland	**1,358**	**1,142**	1,392	1,243
UK	**1,680**	**3,135**	1,701	661
Canada	**2,834**	**5,267**	3,056	3,269
Australia	**2,547**	**2,118**	1,322	188
France	**1,542**	**309**	-	-
Germany	**1,982**	**320**	-	-
Total subsidiaries	**22,778**	**74,234**	16,955	56,904
Total group	**39,477**	**162,993**	30,777	143,890

Total salaries and social security expenses

	Group		Parent Company	
	2025	2024	**2025**	2024
Salaries and other remuneration	**202,470**	174,667	**105,458**	100,808
Pension expenses, Board, CEO and Vice Presidents	**3,983**	2,713	**2,801**	2,005
Pension expenses, other employees	**20,613**	15,114	**17,668**	13,373
Other social security expenses	**47,717**	43,928	**35,601**	33,809
Total	**274,783**	236,422	**161,528**	149,995

Pensions and health insurance

All employees in Sweden are subject to mandatory retirement in accordance with Swedish law. The company has no pension commitments other than the payment of annual pension insurance premiums. For all employees except the CEO*) over the age of 25 years, the following pension insurance premiums are paid in relation to salary:

Pensionable salary within the range:	0–7.5 income base amounts	>7.5–30 income base amounts	>30 income base amounts
Premium	4.5%	30%	0%

*) For the CEO, pension insurance premiums are paid at 30% of annual salary.

All employees in Sweden are covered by health insurance, with benefits. This health insurance is activated after 90 days of sick leave. Together with the employer's health insurance and compensation from the Social Insurance Agency, the employee receives total benefits equal to approximately 65–87% of salary after a qualifying period of 3 months (depending on the level of salary). The company also pays sick pay during the qualifying period, i.e., from day 15 to day 90, when the health insurance is activated. Compensation from the Social Insurance Agency from day 15 corresponds to just under 80% of salary, capped at an annual salary of 7.5 price base amounts. During this period, the company pays compensation for loss of income so that the employee, regardless of salary level, receives a total of 80% of salary together with compensation from the Social Insurance Agency.

BioGaia's employee incentive program

BioGaia had a bonus program for all employees in the parent company and parts of the Group during 2025. The bonus is based partly on whether sales and operating profit reach budgeted levels and partly on a number of key qualitative targets for operations.

The maximum bonus amounts to 12% of salary. For 2025, the bonus achieved in the parent company was approximately 12% (12), and the cost of the program for the group was SEK 20.7 million (16.6 million). A bonus was approved for the CEO 2025 totaling SEK 2.5 million.

Incentive program

In addition to the employee bonus program, BioGaia has implemented an employee stock option program ("LTIP 2024") and a performance share program ("LTIP 2025"). The programs were approved by the Annual General Meeting.

LTIP 2024

490,000 employee stock options ("options") were granted on March 16, 2025, of which 305,000 were granted to management. During the year, 30,000 options were forfeited due to termination of employment.

The options may be exercised for subscription of class B shares, in accordance with the terms of the options, provided that certain strategic and operational targets set by the Board of Directors are achieved. The targets are determined in advance by the Board of Directors and are linked to key events in the company's development, such as the company's financial performance and achievement of its strategic objectives.

The Board of Directors determines whether the vesting conditions have been met, and its decision is final and binding. Another requirement is that the holder of the options remains employed until the options are exercised.

The exercise price amounts to SEK 143.83. The options are valued using the Black-Scholes model with an expected volatility of 30.0% and an interest rate of 2.3%, resulting in a value of SEK 11.02 per option.

LTIP 2025

332,500 performance share rights ("share rights") were granted on August 8, 2025, of which 170,000 were granted to management. During the year, 6,300 share rights were forfeited due to termination of employment.

Each performance share right entitles the holder to receive class B shares in the company free of charge upon achievement of specific performance criteria following a performance period of approximately three years.

Below is a description of how the various targets will be measured.
The operating margin represents 45% of the weighting in the performance share program ("the program"). The target will be measured between a threshold level and a maximum level during the program's term, with a linear allocation of the instruments based on the results between the two levels. If the outcome is below the threshold level, no shares linked to the target will be allocated.

Sales growth represents 45% of the weighting in the Program. The target, like

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the operating margin target, will be measured between a threshold level and a maximum level. Given a scenario with an outcome between the threshold level and the maximum level, a linear allocation will be granted to the participant. If the threshold level is not achieved, no shares will be allocated to the participant.

ESG represents 10% of the weighting in the program. Unlike the other targets in the program, the ESG target will be measured against an absolute threshold. When the criterion is met, shares will be allocated. If the threshold level is not achieved, no shares will be allocated to the participant.

The shares are linked to the participant's employment with BioGaia. If the employment with BioGaia ends before the share rights have been converted into shares, all of the participant's unvested shares will be canceled, with certain exceptions for customary "Good Leaver" situations.

The exercise price amounts to SEK 0.2. The shares are valued using the Black-Scholes model with an expected volatility of 30.0% and an interest rate of 2.0%. This results in a value of SEK 80.16 per share.

Scope and costs of the LTIP programs

The programs are accounted for under IFRS 2, which means that the share rights are measured at the grant date at the fair value of the equity instruments granted.

The cost for LTIP 2024 amounted to SEK 1.3 million for the year, including social security expenses, and the estimated total cost amounts to SEK 5.0 million based on the valuation at grant date, assessment of the performance criteria and a staff turnover of 10%.

The cost for LTIP 2025 amounted to SEK 1.7 million for the year, including social security expenses, and the estimated total cost amounts to SEK 15.9 million based on the valuation at grant date, assessment of the performance criteria and a staff turnover of 10%.

More information about the programs is available on biogaiagroup.com under the Annual General Meeting 2024 and 2025.

If all options are exercised for subscription of new shares under the LTIP 2024 program, this represents a potential dilution for existing shareholders of 0.46%. The options have no intrinsic value and therefore do not affect the average number of shares after dilution and earnings per share as at December 31, 2025.

The maximum dilution effect from the LTIP 2025 program is estimated at approximately 0.33% of the shares. The average number of shares after dilution is not affected as at December 31, 2025, and therefore has no impact on earnings per share.

Remuneration to senior executives

Remuneration to the Chairman and members of the Board is paid according to the decision of the Annual General Meeting. The Board of Directors has appointed a Remuneration Committee consisting of Chairman of the Board Mauricio Graber, Board member Anthon Jahreskog and David Dangoor (Deputy Chairman). The Remuneration Committee shall prepare matters related to remuneration and other terms of employment for senior executives. The principles for remuneration to senior executives are approved by the Annual General Meeting. The task of the Remuneration Committee is to prepare recommendations in accordance with these principles. Remuneration to the CEO and other senior executives employed by the company consists of fixed salary, variable remuneration and other benefits. Other senior executives refer to the six people who together with the CEO and Vice Presidents make up the Executive Management.

In the event of termination by the company, the CEO and Vice Presidents are entitled to full salary during a notice period of up to 18 months. In the event of termination by the company, other senior executives have a statutory notice period of at least three months in accordance with the Swedish Employment Protection Act. In other respects, the CEO and Vice Presidents have the same benefits as other employees. There are no agreements regarding severance pay for either the CEO or other senior executives.

Remuneration and other benefits during the year

	Directors' fees	Fixed salary	Other benefits	Variable remuneration	Pension incl. health insurance	Total
Board Chairman						
Peter Rothschild	651	140		-	-	791
Mauricio Graber	352					352
Vice Chairman:						
David Dangoor	653	-		-	-	653
Board members						
Barbro Fridén	302	-		-	-	302
Outi Armstrong	302	-		-	-	302
Bénédicte Flambard	302	-		-	-	302
Anthon Jahreskog	470	-		-	-	470
Vanessa Rothschild	373	-		-	-	373
Chief Executive Officer						
Theresa Agnew		5,045	49	2,492	1,628	9,214
Executive Vice Presidents:						
(2 people)		4,500		1,263	1,172	6,935
Other senior executives (5 people):		8,653		904	2,365	11,922
	3,400	18,338	49	4,659	5,166	31,616

Gender distribution

	2025 Women	2025 Men	2024 Women	2024 Men
Board of Directors	4	3	4	4
Management including CEO	4	4	4	4

Note 4 Auditor's fees

	Group		Parent Company	
Deloitte AB	**2025**	2024	**2025**	2024
Audit fees	**1,488**	1,680	**1,042**	1,160
Tax advice	**175**	79	**175**	79
Other services	**-**	30	**-**	30

Audit assignments refer to the auditors' work on the statutory audit, while auditing activities refer to various types of quality assurance services. Other services are those that cannot be classified as part of the audit assignment, auditing activities or tax advice.

Note 5 Other operating income

	Group		Parent Company	
	2025	2024	**2025**	2024
Government subsidy	**56**	118	**-**	-
Exchange rate gains on receivables and operating liabilities, net	**-**	14,047	**-**	14,039
	56	14,165	**-**	14,039

Government subsidy refers to support related to Covid-19 in Japan.

Note 6 Other operating expenses

	Group		Parent Company	
	2025	2024	**2025**	2024
Exchange rate losses on receivables and operating liabilities, net	**39,560**	155	**39,454**	-
	39,560	155	**39,454**	-

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Note 7 Operating expenses

Operating expenses allocated by type of cost

	Group		Parent Company	
	2025	2024	**2025**	2024
Cost of sales	**409,587**	391,975	**403,717**	407,727
Personnel expenses	**286,915**	242,729	**169,823**	155,721
Depreciation/Amortization	**24,666**	76,695	**1,899**	48,213
Other operating expenses	**404,589**	302,113	**179,444**	174,208
Total	**1,125,757**	1,013,512	**754,883**	785,869

For the Parent Company, operating expenses include lease payments excluding rents of SEK 0 (0.5) million and rents of SEK 10.4 (10.8) million.

The Parent Company's future payment commitments regarding lease payments excluding rents amount to SEK 0.1 (0.0) million. The Parent Company's lease payments excluding rents fall due for payment with SEK 0.1 (0.0) million within one year and SEK 0.1 (0.0) million within two to five years.

The Parent Company's future payment commitments regarding rents amount to SEK 20.1 (30.7) million. The Parent Company's rents fall due for payment with SEK 6.0 (6.8) million within one year, SEK 14.1 (23.4) million within two to five years and SEK 0 (0) million after five years.

Research and development expenses
The expenses capitalized in the balance sheet relate to BioGaia's IT development. No other expenses for development in the Parent Company or subsidiaries during the year meet the requirement for capitalization in the balance sheet.

Total research and development expenses

	Group		Parent Company	
	2025	2024	**2025**	2024
Total research and development expenses excl. amortization	**115,718**	153,830	**99,455**	145,540
Development expenses capitalized during the year	**-**	-	**-**	-
R&D expenses not capitalized	**115,718**	153,830	**99,455**	145,540
Amortization component of R&D expenses *)	**4**	3,274	**-**	2,348
R&D expenses with an effect on profit/loss	**115,722**	157,104	**99,455**	147,888

*) This amount refers only to the portion of depreciation on property, plant, equipment and intangible assets (capitalized development costs for IT) attributable to the research and development function in the income statement classified by function.

Note 8 Financial income

	Group		Parent Company	
	2025	2024	**2025**	2024
Dividend	**-**	-	**50,000**	30,000
Interest income	**17,198**	39,372	**22,387**	36,757
	17,198	39,372	**72,387**	66,757

Note 9 Financial expenses

	Group		Parent Company	
	2025	2024	**2025**	2024
Value adjustments of financial liabilities and assets	**2,389**	13,480	**-**	-
Interest expenses and other financial expenses	**6,057**	1,444	**6,949**	1,271
	8,446	14,924	**6,949**	1,271

Note 10 Tax on profit for the year

	Group		Parent Company	
	2025	2024	**2025**	2024
Current tax	**-97,061**	-112,180	**-69,963**	-89,070
Deferred tax	**8,606**	15,749	**1,684**	10,221
	-88,455	-96,431	**-68,279**	-78,849

Deferred tax in untaxed reserves

	Group		Parent Company	
	2025	2024	**2025**	2024
Deferred tax attributable to untaxed reserves	**3,420**	3,930	**-**	-
	3,420	3,930	**-**	-

Change in deferred tax liability

	Group	
	2025	2024
Opening balance deferred tax liability	**5,444**	15,179
Resolution of deferred tax liability	**-650**	-10,253
Provision for deferred tax liability	**163**	518
Closing deferred tax liability	**4,957**	5,444

The deferred tax liability in untaxed reserves of SEK 3.4 million and relating to buildings of SEK 1.0 million is attributable to the subsidiary BioGaia Production AB. The deferred tax liability from BioGaia USA amounts to SEK 0.4 million.

Change in deferred tax assets

	Group	
	2025	2024
Opening balance deferred tax asset	**14,267**	5,964
Increase in deferred tax asset	**8,061**	8,303
Resolution of deferred tax asset	**-**	-
Closing deferred tax asset	**22,328**	14,267

The deferred tax asset of SEK 0.4 million relates to the subsidiary BioGaia Japan Inc. Deferred tax assets of SEK 10.2 million relate to internal profit in inventory and SEK 7.2 million to capitalized losses in Australia, New Zealand and Germany. The remaining deferred tax assetspertain to a provision for future credit losses of SEK 3.0 million and leasing.

The gross amount relating to deferred tax for leases entails a deferred tax liability of SEK 4.5 (6.2) million and deferred tax asset of SEK 4.7 (6.4) million.

Reconciliation of nominal tax and actual tax expenses

	Group		Parent Company	
	2025	2024	**2025**	2024
Reported profit before tax	**421,219**	447,819	**362,731**	413,269
Tax rate	**20.6%**	20.6%	**20.6%**	20.6%
Anticipated tax expense	**-86,771**	-92,251	**-74,723**	-85,133
Tax effect of other non-deductible and non-taxable items	**-1,165**	-3,982	**6,444**	6,285
Tax effect of other rates for foreign subsidiaries	**-2,516**	-198	**-**	-
Tax effect on unrecognized deferred tax on loss carryforwards	**-**	-	**-**	-
Tax effect attributable to previous years	96	-	**-**	-
Other tax adjustment	**1,902**	-	**-**	-
Actual tax expense	**-88,455**	-96,431	**-68,279**	-78,848

The tax rate for the group amounted to 21% (22%) of profit for the year after financial items.

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Note 11 Intangible assets

Group

	R&D projects in progress	Good-will	Develop-ment costs	Total intangible assets
Accumulated cost				
Opening balance January 1, 2024	45,850	165,174	7,088	218,112
Additions	–	-	387	387
Exchange differences	-	15,229	-	15,229
Closing balance December 31, 2024	45,850	180,403	7,475	233,728
Opening balance January 1, 2025	45,850	180,403	7,475	233,728
Additions	–	–	75	75
Exchange differences	–	-28,607	–	-28,607
Closing balance December 31, 2025	45,850	151,796	7,550	205,196
Accumulated depreciation				
Opening balance January 1, 2024	-	-	6,708	6,708
Impairment	45,850	5,300	-	51,150
Closing balance December 31, 2024	45,850	5,300	6,708	57,858
Opening balance January 1, 2025	45,850	5,300	6,708	57,858
Depreciation/Amortization	-	-	140	140
Closing balance December 31, 2025	45,850	5,300	6,848	57,998
Carrying amounts:				
At January 1, 2024	45,850	165,174	380	211,404
At December 31, 2024	0	175,103	767	175,870
At December 31, 2025	0	146,496	702	147,198

Parent Company

	R&D projects in progress	Good-will	Develop-ment costs	Total intangible assets
Accumulated cost				
Opening balance January 1, 2024	45,850	–	7,088	52,938
Additions	-	–	387	387
Closing balance December 31, 2024	45,850	–	7,475	53,325
Opening balance January 1, 2025	45,850		7,475	53,325
Additions		–	75	75
Closing balance December 31, 2025	45,850		7,550	53,400
Accumulated depreciation				
Opening balance January 1, 2024	-	-	6,708	6,708
Impairment	45,850	-		45,850
Closing balance December 31, 2024	45,850	-	6,708	52,558
Opening balance January 1, 2025	45,850	-	6,708	52,558
Depreciation/Amortization	-	-	140	140
Closing balance December 31, 2025	45,850	-	6,848	52,698
Carrying amounts:				
At January 1, 2024	45,850	-	380	46,320
At December 31, 2024	-	-	767	767
At December 31, 2025	-	-	702	702

The group recognizes excess values from the acquisition of Nutraceutics amounting to SEK 1.6 million related to buildings and land, along with SEK 146.5 million as goodwill. In connection with the year-end closing, an impairment test was conducted using a cash flow model where the value was allocated to the cash-generating units Adult Health and Pediatrics, respectively, within BioGaia USA.

Testing for impairment was carried out based on Executive Management's future forecasts for the two cash-generating units, and apart from the forecasts, the assumptions did not differ between the units. These forecasts were prepared internally by Executive Management based on their collective experience and their best assessment of the company and market growth. Significant assumptions in the model include future revenue, operating margin and discount rate. The forecast period is 5 years and the model includes a terminal value with a growth assumption of 2%. The discount rate is 12.42% (12.68%). Future costs are based on Executive Management's budget and forecasts. Testing for impairment shows no impairment requirement exists relating to the intangible assets. To support the impairment testing performed, an overall analysis has been performed of the sensitivity of the assumptions used in the model. A 5% increase in the discount rate would not lead to any impairment requirement. No reasonable possible change in any key assumption leads to any impairment requirement. See also Note 28 for further information.

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Note 12 Right-of-use assets

Group

	Land and buildings	Equipment	Total rights of use
Accumulated cost			
Opening balance January 1, 2024	74,983	2,292	77,275
Additions	3,447	0	3,447
Disposals	-1,890	–	-1,890
Closing balance December 31, 2024	76,082	2,257	78,339
Opening balance January 1, 2025	76,082	2,257	78,339
Additions	-	405	405
Disposals	-	-123	-123
Translation differences	-258	68	-190
Closing balance December 31, 2025	75,824	2,607	78,431
Accumulated depreciation			
Opening balance January 1, 2024	39,125	1,994	41,119
Depreciation/Amortization	8,747	137	8,884
Disposals	-1,890	-	-1,890
Translation differences	43	–	43
Closing balance December 31, 2024	46,025	2,131	48,156
Opening balance J anuary 1, 2025	46,025	2,131	48,156
Depreciation/Amortization	7,421	45	7,466
Disposals	-	-123	-123
Translation differences	-	–	-
Closing balance December 31, 2025	53,446	2,053	55,499
Carrying amounts:			
At January 1, 2024	35,858	298	36,156
At December 31, 2024	30,057	126	30,183
At December 31, 2025	22,378	554	22,932

The group mainly leases buildings, but also IT equipment. The average remaining lease term is 2 years. A maturity analysis of lease liabilities and marginal borrowing rate is presented in Note 27. No extension options of significance are found in the leases.

Amounts recognized in profit or loss related to right-of-use assets

	Group	
	2025	2024
Depreciation on right-of-use assets	**7,722**	8,884
Interest expenses for lease liabilities	**794**	947
Costs related to short-term leases and low-value leases	**5,177**	2,663
Total	**13,693**	12,494

Total cash flow for leases amounted to approximately SEK 13.7 million (12.5).

Note 13 Property, plant and equipment

Group

	Land and buildings	Production and laboratory equipment	Work in prog ress	Equip-ment, comput-ers	Total prop-erty, plant and equipment
Accumulated cost:					
Opening balance January 1, 2024	127,864	77,826	48,483	47,623	301,796
Additions	7,019	633	792	5,243	13,687
Disposals	-	-	-	-558	-558
Translation difference	1,035	–	–	338	1,373
Closing balance December 31, 2024	163,667	98,501	1,485	52,646	316,298
Opening balance January 1, 2025	163,667	98,501	1,485	52,646	316,298
Additions	177	982	279	2,086	3,524
Disposals	-191	-73	-	-150	-150
Reclassifications	2,956	716	-716	-2,956	0
Exchange differences	-3,028	–	–	-1,177	-4,205
Closing balance December 31, 2025	163,580	100,126	1,048	50,449	315,203
Accumulated depreciation:					
Opening balance January 1, 2024	36,185	59,807	–	28,632	124,624
Depreciation/ Amortization	5,195	8,577	–	2,905	16,677
Disposals	–	–	–	-505	-505
Exchange differences	50	–	–	16	66
Closing balance December 31, 2024	41,430	68,384	–	31,048	140,862
Opening balance January 1, 2025	41,430	68,384	–	31,048	140,862
Depreciation/ Amortization	5,927	8,329	–	2,804	17,060
Disposals	–	–	–	-150	-150
Exchange differences	-567	–	–	-220	-787
Closing balance December 31, 2025	46,790	76,713	–	33,481	156,985
Carrying amounts					
At January 1, 2024	91,679	18,019	48,483	18,991	177,172
At December 31, 2024	122,237	30,117	1,485	21,598	175,436
At December 31, 2025	116,790	23,413	1,048	16,968	158,218

Parent Company

	Production and laboratory equipment	Equipment and computers	Total property, plant and equipment
Accumulated cost:			
Opening balance January 1, 2024	24,113	12,806	36,919
Additions	633	–	633
Disposals	-258	–	-258
Closing balance December 31, 2024	24,488	12,806	37,294

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Opening balance January 1, 2025	24,488	12,806	37,294
Disposals	-	–	-
Additions	251	–	251
Closing balance December 31, 2025	24,739	12,806	37,545
Accumulated depreciation:			
Opening balance January 1, 2024	14,053	12,768	26,821
Disposals	-205	-	-205
Depreciation/Amortization	2,343	20	2,363
Closing balance December 31, 2024	14,053	12,768	26,821
Opening balance January 1, 2025	16,191	12,788	28,979
Disposals	-	-	-
Depreciation/Amortization	1,731	18	1,749
Closing balance December 31, 2025	17,922	12,806	30,728
Carrying amounts:			
At January 1, 2024	10,060	38	10,098
At December 31, 2024	8,297	18	8,315
At December 31, 2025	6,817	0	6,817

Depreciation of property, plant and equipment is recognized on the following lines in the income statement

	Group		Parent Company	
	2025	2024	**2025**	2024
Cost of sales	**12,977**	9,847	**-**	-
Selling expenses	**4,404**	2,840	**56**	12
Administrative expenses	**17**	698	**17**	3
Research and development expenses	**1,680**	3,274	**1,676**	2,348
	19,078	16,660	**1,749**	2,363

Note 14 Financial assets

Parent Company

Participations in group companies	**2025**	2024
At beginning of year	**256,307**	247,575
Group contribution paid to BioGaia Pharma AB	**2,368**	2,306
Group contribution paid to BioGaia New Science	**13,954**	438
Group contribution paid to TriPac AB	**-**	3
Group contribution paid to BioGaia Invest AB	**-**	1
Impairment loss on shares in subsidiaries	**-37,464**	-2,744
Shareholder contribution France	**6,772**	-
Shareholder contribution to BioGaia New Science	**7,000**	5,050
Shareholder contribution to Australia	**2,136**	3,678
Shareholder contribution to Germany	**8,576**	-
Carrying amount at year-end	**259,649**	256,307

Specification of the Parent Company's equity holdings in group companies

Subsidiary/Corp. reg. no./Domicile	No. of shares	Holding, %	Carrying amount
BioGaia Biologics Inc. /-/Raleigh, NC, USA	100,000	100	134,851
TriPac AB /556153-2200/Stockholm	10,000	100	3,613
CapAble AB /556768-3601/Stockholm	10,000	100	0
BioGaia Pharma AB /559114-8191/Stockholm	48,000	96	0
BioGaia Japan Inc. /-/Hiroshima, Japan	180	100	0
BioGaia Invest AB /559306-5849/ Stockholm	10,000	100	25,249
BioGaia UK Limited /13574654/ London	1	100	2,360
BioGaia Finland OY /3206997-7/ Helsinki	10	100	10,399
BioGaia Probiotics Canada Inc. /1000200438/ Toronto	1	100	9,325
BioGaia Australia PTY LTD/ 674 500 791/ New South Wales	100	100	5,813
BioGaia France S.A.S, 937 518 066, Paris	20,000	100	6,772
BioGaia Germany GmbH, HRB 293679, Munich	25,000	100	8,576
BioGaia New Science AB / 559371-5252 / Stockholm	50,000	100	12,050
BioGaia Production AB /556591-9767/Eslöv	10,000	100	40,641
			259,649

The assets and liabilities of the American subsidiary BioGaia Biologics Inc., as well as its wholly owned subsidiaries Nutraceutics Inc. and BioGaia USA Inc., have been translated at the closing day rate of exchange of SEK 9.20 (11.00). Income statement items have been translated at an average exchange rate of SEK 9.82 (10.52).

The assets and liabilities of the Japanese subsidiary BioGaia Japan Inc. have been translated at an exchange rate of SEK 0.0600 (0.0698). Income statement items have been translated at an exchange rate of SEK 0.0657 (0.0702). The resulting translation differences have been recognized in consolidated comprehensive income.

BioGaia Pharma AB was formed in 2017. BioGaia owns 96% of the company. BioGaia Pharma's CEO, Nigel Titford, owns 4% of the company. The minority share of equity in BioGaia Pharma amounts to SEK 2,000.

Of total purchases made by the Parent Company, 33.6% (30.7%) was attributable to group companies.Of the Parent Company's sales, 13.5% (15.3%) went to group companies.

Note 15 Inventories

	Group		Parent Company	
	2025	2024	**2025**	2024
Raw materials and consumables	**26,934**	27,728	**-**	-
Finished goods and goods for resale	**140,310**	125,161	**100,051**	78,989
	166,704	152,889	**100,051**	78,989

The group's provision for obsolescence amounted to SEK 14.8 million (15.2) at December 31, 2025. Expenses relating to impairment losses on inventory and scrapping amounted to SEK 6.4 million (10.9).

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Note 16 Accounts receivable

Provisions for accounts receivable amounted to SEK 23.5 million (16.9) at December 31, 2025.

The provisions relate partly to impairment of identified doubtful receivables of SEK 12.7 million (8.4) and partly to a provision for expected losses in accordance with IFRS 9 of SEK 10.8 million (8.5).

At December 31, 2025, accounts receivable amounting to SEK 23.3 million (41.6) were overdue. Of the overdue receivables, SEK 16.0 million had been recovered as of the date of signing of the financial statements.

Age analysis

	Group		Parent Company	
	2025	2024	**2025**	2024
Receivables not overdue	**203,619**	156,715	**136,834**	114,170
Less than 3 months	**20,715**	33,183	**14,883**	24,934
3–6 months	**2,319**	7,861	**1,759**	7,660
More than 6 months	**293**	520	**-**	-
Expected loss provision, IFRS 9	**-10,778**	-8,505	**-7,459**	-6,355
	216,168	189,774	**146,017**	140,409

The carrying amounts, by currency are as follows

	Group		Parent Company	
	2025	2024	**2025**	2024
EUR	**67,802**	43,348	**43,927**	42,318
USD	**109,257**	95,479	**92,054**	76,656
SEK	**17,480**	27,774	**17,479**	27,761
JPY	**17,508**	17,185	**-**	-
GBP	**4,950**	4,918	**-**	-
CAD	**4,174**	5,279	**-**	-
AUD	**5,056**	3,897	**-**	-
Other currencies	**719**	399	16	29
Expected loss provision, IFRS 9	**-10,778**	-8,505	**-7,459**	-6,355
	216,168	189,774	**146,017**	140,409

Note 17 Related party transactions

Parent Company

The Parent Company owns 100% of the shares in BioGaia Production AB, BioGaia Biologics Inc., USA, BioGaia Japan Inc., Capable AB, Tripac AB, BioGaia Invest AB, BioGaia Finland Oy, BioGaia UK Ltd, as well as BioGaia Probiotics Canada Inc., BioGaia Australia PTY LTD, BioGaia New Sciences, BioGaia France and BioGaia Germany AB. The Parent Company owns 96% of the shares in BioGaia Pharma AB.

The following transactions have taken place with BioGaia Production AB:

	Parent Company	
	2025	2024
Purchase of services	**-3,182**	-2,900
Purchase of goods	**-234,252**	-241,528

Goods are purchased on a cost-plus basis.

The following transactions have taken place with BioGaia Japan Inc.

	Parent Company	
	2025	2024
Interest income	**1,435**	2,296
Sale of goods	**6,443**	18,411

The following transactions have taken place with BioGaia Biologics Inc. and BioGaia USA Inc.:

	Parent Company	
	2025	2024
Purchase of services	**-13,507**	-13,866
Sale of goods	**89,344**	72,318

The following transactions have taken place with BioGaia Probiotics Canada Inc.:

	Parent Company	
	2025	2024
Sale of goods	**29,390**	41,313

The following transactions have taken place with BioGaia Pharma AB:

	Parent Company	
	2025	2024
Sale of services	**-**	1,428
Group contribution paid	**-2,368**	-2,306

The following transactions have taken place with Tripac AB

	Parent Company	
	2025	2024
Group contribution paid	**-**	-3

The following transactions have taken place with BioGaia Invest AB:

	Parent Company	
	2025	2024
Group contribution paid	**-**	-1

The following transactions have taken place with BioGaia Finland

	Parent Company	
	2025	2024
Sale of goods	**9,426**	13,041

The following transactions have taken place with BioGaia UK

	Parent Company	
	2025	2024
Sale of goods	**7,428**	9,259
Shareholder contribution	**-508**	-267

BioGaia New Sciences AB

	Parent Company	
	2025	2024
Group contribution paid	**-13,954**	-398
Shareholder contribution	**-7,000**	-5,050

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BioGaia Australia PTY LTD

	Parent Company	
	2025	2024
Sale of goods	**9,928**	2,048
Interest income	**368**	124

BioGaia Nya Zealand

	Parent Company	
	2025	2024
Sale of goods	**386**	284

The closing balance at the end of the period was as follows

BioGaia France

	Parent Company	
	2025	2024
Sale of goods	**19,715**	-

BioGaia Germany

	Parent Company	
	2025	2024
Sale of goods	**4,701**	-

	Parent Company	
	Dec. 31, 2025	Dec. 31, 2024
Non-current receivables from subsidiaries		
Non-current receivables BioGaia Australia PTY LTD	**7,730**	5,516
Current liabilities to subsidiaries		
Current liabilities BioGaia Biologics Inc	**-9,931**	-8,647
Current liabilities CapAble AB	**-4,287**	-4,287
Current liabilities BioGaia Finland OY	**-**	-
Current liabilities BioGaia Pharma AB	**-6,633**	-6,781
Current liabilities BioGaia Production AB	**-110,450**	-46,593
Current liabilities BioGaia Invest AB	**-774**	-773
Current liabilities to New Sciences AB	**-14,352**	-398
	-146,427	-67,479
Current receivables from subsidiaries		
Current receivables Tripac	**296**	296
Current receivables BioGaia UK	**8,007**	6,154
Current receivables BioGaia Probiotics Canada	**6,707**	13,046
Current receivables Finland	**1,613**	2,561
Current receivables BioGaia Australia	**13,504**	3,895
Current receivables BioGaia NZ	**752**	435
Current receivables BioGaia Japan Inc.	**22,293**	17,992
Current receivables BioGaia France	**24,274**	-
Current receivables BioGaia Germany	**5,596**	-
	83,042	44,379

See also note 3 for other transactions with related parties.

Note 18 Other current receivables

	Group		Parent Company	
	2025	2024	**2025**	2024
VAT refund	**18,204**	21,011	**18,237**	21,011
Current tax assets	**1,102**	1,484	**-**	-
Other receivables	**392**	9,851	**284**	2,588
	19,698	32,346	**18,521**	23,599

Note 19 Deferred expenses and accrued income

	Group		Parent Company	
	2025	2024	**2025**	2024
Accrued income	**624**	351	**351**	351
Prepaid rent	**1,716**	1,615	**1,716**	1,615
Other deferred expenses	**12,854**	9,226	**1,779**	1,878
	15,194	11,192	**3,846**	3,844

Note 20 Financial assets and liabilities

	December 31, 2025		December 31, 2024	
Financial assets	Fair value through profit and loss	Accrued cost	Fair value through profit and loss	Accrued cost
Accounts receivable	-	216,168	-	105,875
Shares in unlisted companies	28,013	-	28,013	-
Cash and cash equivalents	-	801,310	-	1,223,984
Financial liabilities				
Accounts payable	-	56,665	-	48,299
Provision for additional purchase price	56,583	-	65,053	-

Measurement of financial instruments at fair value

Financial liabilities
BioGaia has a financial liability relating to the additional purchase price in business acquisitions that is measured at fair value through profit or loss. The additional purchase price is due to the acquisition of Nutraceutics and is based on sales in Nutraceutics.

Revaluation took place during the fourth quarter of 2025, and BioGaia's best assessment of the fair value of the financial liability relating to the additional purchase price at December 31, 2025 amounts to SEK 56.6 million. Estimates of fair value are based on Level 3 of the hierarchy for fair value, which means fair value is determined using a valuation model where significant inputs are based on unobservable data. The measurement was based on anticipated future cash flows discounted with a market-based interest rate. The value adjustment is recognized as a financial expense of SEK 2.4 million (13.5) during the twelve-month period. The weighted average cost of capital (WACC) amounted to 12.42% (12.68% at December 31, 2024).

Provision for additional purchase price

	Jan–Dec 2025	Jan–Dec 2024
At beginning of period	**65,053**	46,529
Value adjustment	**2,389**	13,483
Exchange differences	**-10,589**	5,041
At end of period	**56,583**	65,053

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

Financial assets

	Jan–Dec 2025	Jan–Dec 2024
At beginning of period	**28,013**	28,013
Value adjustment	**-**	-
Acquisition	**-**	-
At end of period	**28,013**	28,013

Other financial assets and liabilities
Accounts receivable, accounts payable, prepayments from customers, and accrued income normally have a term that is less than three months; therefore, the book value is a good approximation of the fair value.

Note 21 Total equity

The objective of the group's capital management is to ensure the group's ability to continue as a going concern and to provide a good return to shareholders. The total number of shares in BioGaia amounts to 101,162,310, of which 2,665,138 are class A shares with ten votes each and 98,497,172 are class B shares with one vote each, corresponding to a total of 125,148,552 votes. The share capital amounts to SEK 20,232,462. Class A and B shares grant equal entitlement to the company's assets and profits. The quota value for both class A and B shares is SEK 5 per share. All shares are fully paid-up and no shares are reserved for transfer. No shares are held in treasury by the company itself or by its subsidiaries.

Other contributed capital consists of payments made by shareholders in excess of the quota value. The foreign currency translation reserve arises in the translation of foreign net assets according to the acquisition method.

The Board proposes that the upcoming Annual General Meeting on May 7, 2026, approves an ordinary dividend according to policy of SEK 1.64 (1.95) per share, plus an extra dividend of SEK 2.36 (4.95) per share, resulting in a total dividend of SEK 4.00 (6.90) per share, corresponding to SEK 404.6 million (698.0). The Board of Directors also proposes that the upcoming Annual General Meeting resolve on an appropriation of SEK 5.6 million for charitable donations, of which SEK 4.4 million is to be allocated to the Foundation to Prevent Antibiotic Resistance.

Non-controlling interests account for 4.0% of the subsidiary BioGaia Pharma's equity.

Equity in the BioGaia group consists of the sum of equity attributable to the shareholders of BioGaia AB and equity attributable to non-controlling interests. At year-end, total consolidated equity amounted to SEK 1,314.2 million (1,723.9) and equity attributable to owners of the Parent Company amounted to SEK 1,314.2 million (1,723.9).

In addition to the current dividend policy of 50% of the Group's earnings after tax and after adjustments for non-recurring items, BioGaia intends to pay extra dividends of 50–100% of the group's earnings after tax and after adjustments for non-recurring items in the coming years, provided that future cash flows align with BioGaia's forecasts.

Note 22 Proposed appropriation of profits

The following funds in the Parent Company are at the disposal of the Annual General Meeting:

Retained earnings	603,305
Profit for the year	294,452
Profits available for appropriation	897,757
The Board of Directors proposes that the profits be appropriated as follows	
To be paid as a dividend to the shareholders	404,649
Provision to the Foundation to Prevent Antibiotic Resistance	5,600
To be carried forward to new account	487,508
Total	897,757

Note 23 Other liabilities

	Group		Parent Company	
	2025	2024	**2025**	2024
Employee withholding tax	**3,549**	2,846	**3,067**	2,557
Current tax liabilities	**5,574**	33,462	**4,891**	30,769
Other current liabilities	**17,786**	11,445	**2,275**	-
	26,909	47,753	**10,233**	33,326

The item other current liabilities includes a short-term lease liability of SEK 6.9 million (7.1).

Note 24 Accrued expenses and deferred income

	Group		Parent Company	
	2025	2024	**2025**	2024
Accrued vacation pay	**21,850**	20,359	**20,059**	18,295
Accrued social security expenses	**13,108**	2,883	**10,501**	2,194
Other accrued expenses and deferred income	**69,589**	78,074	**47,950**	67,876
	104,547	101,316	**78,510**	88,363

Note 25 Pledged assets and contingent liabilities

	Group		Parent Company	
Pledged assets	**2025**	2024	**2025**	2024
Corporate liens	**-**	-	**-**	-
Contingent liabilities	**None**	None	**None**	None

Note 26 Other non-cash items

	Group		Parent Company	
	2025	2024	**2025**	2024
IFRS 2 costs	**3,017**	-	**2,370**	-
Currency differences	**5,809**	-3,520	**9,285**	-4,479
Other non-cash items	**-**	-17	**-**	-17
	8,826	-3,537	**11,655**	-4,496

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Note 27 Policy for financial risk management

The overall objective of the group's finance function is to provide cost-effective financing for the group's operations and groupcompanies and to provide secure cash management with a market-based return on investment. The overall objective of financial risk management is to minimize the risks of negative effects on the group's earnings. Consequently, the group's financial investments must have a low risk profile. Below is a description of the group's assessed risk exposure and related risk management:

Currency risk

BioGaia operates in various geographical markets and has revenue and expenses in different currencies. This affects both transaction exposure (cash flow) and translation exposure (balance sheet).

Transaction exposure

Breakdown of net sales in 2025 was approximately:	Breakdown of expenses in 2025 was approximately:
EUR 26% (30%)	EUR 19% (13%)
SEK 12% (10%)	SEK 48% (58%)
USD 49% (47%)	USD 22% (19%)
Other currencies 13% (13%)	Other currencies 11% (10%)

In 2025, the company had a cashflow surplus of approximately EUR 17.1 million (EUR 25.4 million) and a cashflow surplus of USD 50.9 million (USD 45.2 million).

The average exchange rate for EUR/SEK in 2025 was 11.13 (11.41). If EUR/SEK had been SEK 1.0 higher/lower, BioGaia's revenue would have been approximately SEK 35.2 million higher/lower and operating profit approximately SEK 17.1 million higher/lower. The average exchange rate for USD/SEK in 2025 was 9.85 (10.52). If USD/SEK had been SEK 1.0 higher/lower, BioGaia's revenue would have been approximately SEK 75.2 million higher/lower and operating profit approximately SEK 50.9 million higher/lower. A stronger SEK rate, primarily against EUR and USD, reduces BioGaia's sales and profit, but by working to reallocate a portion of expenses to EUR, the company is working to minimize the impact on profit.

Translation exposure

Translation exposure is the risk that the value of the group's net investments in foreign currencies is negatively affected by changes in foreign exchange rates.

The group has eleven foreign subsidiaries: three in the US, one in Japan, one in Finland, one in the UK, one in Canada, one in Australia, one in New Zealand, one in France and one in Germany. The assets and liabilities of the US subsidiaries have been translated at the closing day rate of SEK 9.20 (11.00). The assets and liabilities of the Japanese subsidiary BioGaia Japan Inc. have been translated at the closing day rate of SEK 0.0590 (0.0698). The assets and liabilities of the Finnish, French and German subsidiaries have been translated at the closing day rate of SEK 10.82 (11.49). The assets and liabilities of the British subsidiary BioGaia UK Ltd have been translated at the closing day rate of SEK 12.42 (13.85). The assets and liabilities of the Canadian subsidiary BioGaia Probiotics Canada Inc. have been translated at the closing day rate of SEK 6.72 (7.64). The assets and liabilities of the Australian subsidiary BioGaia Australia PTY LTD have been translated at the closing day rate of SEK 6.17 (6.86).

The group's translation differences amounted to SEK -41.8 million (38.5). The acquisition of Nutraceutics in 2021 has led to an increase in translation exposure.

Interest rate and liquidity risk

The group has no external loans. Excess liquidity is invested mainly in banks. For cash and cash equivalents, the company has a liquidity policy where the fundamental principle is to always minimize risks when investing. Investments should primarily be made in Swedish kronor. To minimize currency risks, other currencies may also be considered. The company's cash and cash equivalents should only be placed in bank accounts, commercial paper or other fixed income securities with very limited risk. This means that no investments may be made in shares, equity funds, options, etc.

Credit and counterparty risk

Credit risk refers to the risk that the counterparty in a transaction causes the group a loss by failing to fulfill its contractual obligations. BioGaia's credit risks are tied to accounts receivable and, for the Parent Company, also loans to subsidiaries. When signing agreements with new customers, BioGaia always carries out an assessment of the customer's financial position. The company has procedures in place to collect overdue receivables, and if necessary, further evaluation of the customer's financial position is performed to minimize risks.

The simplified model is used to calculate the expected loss on the group's accounts receivable. When calculating the expected loss, accounts receivable are grouped based on the aging structure of the receivables. The expected credit losses for accounts receivable are calculated using a matrix based on past events, current conditions, and forecasts for future economic conditions.

	Group		Parent Company	
	2025	2024	**2025**	2024
Accounts receivable gross	**239,666**	206,719	**163,676**	152,264
Allowance accounts receivable	**-23,498**	-16,945	**-17,659**	-11,855
Accounts receivable net	**216,168**	189,774	**146,017**	140,409

	Group		Parent Company	
	2025	2024	**2025**	2024
Accounts receivable gross	**239,666**	206,719	**163,676**	152,264
Allowance opening balance	**-16,945**	-8,343	**-11,855**	-8,287
Increase from new receivables	**-14,978**	-15,795	**-9,139**	-11,855
Decrease from paid receivables	**12,685**	7,768	**7,595**	8,287
Move to impaired	**-4,260**	-575	**-4,260**	-
Accounts receivable closing balance	**216,168**	189,774	**146,017**	140,409

Accounts receivable are spread across a large number of customers, and no single customer represents a material portion of the total accounts receivable. In addition, accounts receivable are not concentrated to a specific geographical area. The group therefore deems that concentration risks to be limited.

The group's maximum exposure to credit risk consists of the carrying amounts of all financial assets, as shown in the table below.

	Group	
	2025	2024
Accounts receivable	**216,168**	189,774
Other current receivables	**15,194**	32,346
Accrued income	**19,698**	11,192
Cash and cash equivalents	**801,310**	1,223,984
Maximum exposure to credit risk	**1,052,370**	1,457,296

Cash flow risk

Cash flow for the period amounted to SEK -406.6 million (-330.6). Cash flow included a dividend of SEK 698.0 million (696.8) and tax payments of SEK 112.9 million (111.5).

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Age analysis of the group's financial liabilities

		Due in less than:					
	Interest rate	1 month	1–3 months	3–12 months	1–5 years	More than five years	Total
December 31, 2024							
Non-current liability relating to acquisition of Nutraceutics	13%	–	–	–	85,945	–	85,945
Non-current liability liabilities(lease liabilities)	3%	–	–	–	22,378	1,228	23,606
Other non-current liabilities	–	–	–	–	10,745	–	10,745
Current liabilities	–	48,299	7,736	12,545	–	–	68,579
		48,299	7,736	12,545	119,068	1,228	188,875
December 31, 2025							
Non-current liability relating to acquisition of Nutraceutics	12%	–	–	–	58,835	–	58,835
Non-current liabilities (lease liabilities)	3%	–	–	–	16,262	415	16,677
Other non-current liabilities	–	–	–	–	6,942	–	6,942
Current liabilities	–	56,665	15,509	12,680	–	–	84,854
		56,665	15,509	12,680	82,039	415	167,308

Since cash and cash equivalents at December 31, 2025 amounted to SEK 801.3 million (1,224.0), no capital injection is required during the immediate 12-month period unless acquisitions are carried out. The group is not exposed to any significant liquidity risk due to lease liabilities. See Note 28 regarding additional financial liability for the additional purchase price of Nutraceutics.

Price risk

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

Climate-related risk

During the year, BioGaia established climate-related targets to reduce emissions. Active efforts to reduce the company's climate impact could lead to increased resilience, reduced costs and increased goodwill. Climate change in the world also represents a physical risk for BioGaia that may affect the company's facilities and access to important raw materials. BioGaia therefore considers climate risks in the preparation of its financial statements principally in relation to investment decisions and impairment testing.

Note 28 Critical accounting estimates and assumptions

Certain sources of uncertainty in accounting estimates and judgments are described below.

The group recognizes surplus value from the acquisition of Nutraceutics, which amounts to SEK 1.6 million relating to buildings and land and SEK 146.5 million pertaining to goodwill. In connection with the year-end closing, an impairment test was conducted using a cash flow model where the value was allocated to the cash-generating units Adult Health and Pediatrics, within BioGaia USA. Testing for impairment was carried out based on Executive Management's future forecasts. Significant assumptions in the model include future revenue, operating margin and discount rate. Since the valuation is based on an assessment of future cash flows in the business plan for the company, this is inherently uncertain. Since there is a formal commitment to acquire the remaining share of the company, it is recognized by the group in full without a minority interest. This impacts the value of goodwill and liabilities for the additional purchase price described below substantially.

The group recognizes a financial liability for the additional purchase price pertaining to the remaining shares in Nutraceutics amounting to SEK 56.6 million. The nominal value relating to the liability amounts to SEK 58.8 million but as the forecast is uncertain this has been discounted with a WACC of 12.42% (12.68). The liability is measured according to fair value in the income statement in net financial items. As the measurement includes a number of assessments there is a risk that the liability changes substantially over time.

Note 29 Key events after the end of the financial year

On February 3, BioGaia announced that the results for the fourth quarter would exceed market expectations.

On February 26, BioGaia announced that the long-standing distribution partnership with Ewopharma was extended.

On March 17, BioGaia announced that the option to acquire remaining shares in Nutraceutics was exercised.

The Board of Directors and the CEO hereby give their assurance that the consolidated financial statements and annual report have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting practices and give a true and fair view of the financial position and results of operations of the group and the parent company. The administration report for the group and the parent company gives a true and fair view of the business activities, financial position and results of operations of the group and the Parent Company and describes the significant risks and uncertainties to which the Parent Company and the group companies are exposed.

The annual report was dated on March 26, 2026.

Stockholm, March 26, 2026

Mauricio Graber
Chairman

Theresa Agnew
CEO

David Dangoor
Vice Chairman

Outi Armstrong
Member of the Board

Barbro Fridén
Member of the Board

Bénédicte Flambard
Member of the Board

Anthon Jahreskog
Member of the Board

Vanessa Rothschild
Member of the Board

Stockholm, March 26, 2026

Deloitte AB

Jenny Holmgren
Authorized Public Accountant

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Auditor's report

To the General Meeting of Shareholders in BioGaia AB (publ), corporate identity number 556380-8723

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of BioGaia AB (publ) for the financial year 2025-01-01 - 2025-12-31 with the exception of the corporate governance report on pages 160-163 and the sustainability report on pages 60 - 177. The annual accounts and consolidated accounts of the company are included on pages 126-160 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of goodwill

BioGaia AB has recognized goodwill to SEK 146m as of December 31, 2025. The value of the reported goodwill is dependent on future returns and profitability in the cash-generating units to which the goodwill refers, and the value is tested at least once a year. Management bases its impairment test on several judgement and estimates such as growth, EBIT development and cost of capital (WACC) as well as other complex circumstances.

Management has not identified any need for write-downs. For more information refer to note 11 of management's procedures is described together with important assessments and assumptions. We focused on this area as the reported value of goodwill is material and impairment tests are sensitive to changes in assumptions and is therefore a key audit matter. Our audit included but was not limited to the following audit procedures:

- Assessment of BioGaia's procedures for impairment testing of goodwill and evaluation that the assumptions made are reasonable, that the procedures are consistently applied and that there is integrity in calculations.
- Verification of input data in calculations including business plans for the forecast period.
- Assessment of the safety margins for each cash-generating unit by perform sensitivity analyses.
- Review of completeness in relevant notes to the financial statements.

We have used the required valuation specialists in our team in carrying out our audit.

Valuation of deferred purchase price

Since the acquisition of Nutraceutics Corporation BioGaia has a liability for deferred purchase price for the remaining 20% of the shares, to be settled at completion of the transaction. The value of the liability for the additional purchase price is subject to some uncertainty and has been discounted with a WACC of 12,4 %. As of December 31, 2025, management has performed a revaluation of the liability resulting in an adjustment of SEK 2,4m reported as financial cost, any further deviations between the estimated deferred purchase price and the actual outcome will be reported in the result until settlement. We focused on this area since the accounting is based on management's assessments and estimates to determine the fair value of the liability for the additional purchase price.

Our audit included but was not limited to the following audit procedures:

- Review the input data of the calculation for the value of the liability.
- Evaluation of the reasonableness of the underlying assumptions for the valuation of the liability
- Examination that the information provided in notes 20, 27 and 28 is appropriate.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-59, 119-125 and 170-173. The other information also consists of the Remuneration Report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS

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Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev _dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BioGaia AB (publ) for the financial year 2025-01-01 - 2025-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar This description forms part of the auditor's report.

The auditor's opinion on the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for BioGaia AB (publ) for the financial year 2025-01-01 - 2025-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of BioGaia AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

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Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation. Deloitte AB, was appointed auditor of BioGaia AB (publ) by the general meeting of the shareholders on the 2025-05-07 and has been the company's auditor since 2015-05-22.

Stockholm, March 26, 2026
Deloitte AB

Jenny Holmgren
Authorized Public Accountant

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Definitions of key ratios

Definitions of key ratios

Return on equity	Profit attributable to the owners of the Parent Company divided by average equity attributable to the owners of the Parent Company.	Return on equity is used to measure profit generation over time, given the resources attributable to the owners of the Parent Company.
Return on capital employed	Profit before net financial items plus financial income as a percentage of average capital employed.	Return on capital employed is used to analyze profitability, based on the amount of capital used.
Gross margin	Gross profit as a percentage of net sales.	The gross margin is used to measure profitability.
Equity per share	Equity attributable to the owners of the Parent Company divided by the average number of shares.	Equity per share measures the company's net value per share and indicates whether a company will increase the shareholders' wealth over time.
Equity per share, diluted	Equity attributable to the owners of the Parent Company divided by the average number of shares after dilution.	Equity per share, diluted, measures the company's net value per share after any dilution due to ongoing incentive programs or similar schemes and indicates whether a company will increase the shareholders' wealth over time.
Average number of shares	Time-weighted number of outstanding shares during the year taking bonus issue elements into account.	Used to calculate equity and earnings per share.
Earnings per share	Profit for the year attributable to the owners of the Parent Company as a percentage of the average number of shares (definition according to IFRS).	EPS measures how much of net profit is available for payment to the shareholders as dividends per share.
Earnings per share (EPS), diluted	Profit for the year attributable to the owners of the Parent Company divided by the average number of shares after dilution.	EPS, diluted, measures how much of net profit is available for payment to shareholders as dividends per share after any dilution due to ongoing incentive programs or similar schemes.
Non-recurring items	Costs related to restructurings, impairments, changes in provisions for share-related long-term incentive programs and other items that affect comparability.	Separate reporting of items that disrupt comparability between different periods provides a greater understanding of the company's financial results.
Operating margin (EBIT margin)	Operating profit expressed as percentage of net sales.	The operating margin is used to measure operational profitability.
Operating profit	Profit before financial items and tax.	Operating profit is used to measure operating profitability.
Equity/assets ratio	Shareholders' equity as a percentage of total assets.	A traditional metric to show financial risk expressed as the share of total assets financed by the shareholders. Shows the company's stability and ability to withstand losses.
Capital employed	Total assets less interest-free liabilities and lease liabilities.	Capital employed measures the company's ability, in addition to cash and cash equivalents, to meet the requirements of business operations.
Growth	Sales for the year minus sales for the corresponding period in the previous year as a percentage of the previous year's period sales. Breakdown by foreign exchange, organic growth and acquisitions.	Shows the company's realized sales growth over time.
Profit margin	Profit before tax as a percentage of net sales.	This key ratio makes it possible to compare profitability regardless of the corporate income tax rate.

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Reconciliation to IFRS

Return on capital employed	2025	2024
Operating profit	412,467	423,371
Financial income	17,198	39,372
Profit before net financial items + financial income (A)	429,665	462,743
Total assets	1,597,807	2,034,006
Interest-free liabilities	-278,628	-304,629
Capital employed	1,319,179	1,729,378
Average capital employed (B)	1,682,351	1,887,451
Return on capital employed (A/B)	26%	25%

Return on equity	2025	2024
Profit attributable to the owners of the Parent Company (A)	332,764	351,388
Equity attributable to the owners of the Parent Company	1,314,219	1,723,932
Average equity attributable to the owners of the Parent Company (B)	1,519,076	1,877,137
Return on equity (A/B)	22%	19%

Equity/assets ratio	Dec. 31, 2025	Dec 31, 2024
Equity (A)	1,314,221	1,723,934
Total assets (B)	1,597,807	2,034,006
Equity/assets ratio (A/B)	82%	85%

Operating margin	2025	2024
Operating profit (A)	412,467	423,371
Net sales (B)	1,538,168	1,422,718
Operating margin (A/B)	27%	30%

Profit margin before tax	2025	2024
Profit before tax (A)	421,220	447,819
Net sales (B)	1,538,168	1,422,718
Profit margin (A/B)	27%	31%

Equity per share	Dec. 31, 2025	Dec 31, 2024
Equity attributable to owners of the Parent Company (A)	1,314,219	1,723,932
Average number of shares (B)	101,162	101,072
Equity per share (A/B)	12.99	17.06

Change in sales by segment

	Description	Definition	Pediat-rics 2025	Adult Health 2025	Other 2025	Total 2025
A	Previous year's net sales at average rate		1,093,278	321,288	8,153	1,422,718
B	Net sales for the year at average rate		1,154,012	372,533	11,623	1,538,168
C	Reported change	B-A	60,734	51,245	3,470	115,449
	Percentage change	C/A	6%	16%	43%	8%
D	Net sales for the year at previous year's average rate		1,215,623	391,396	11,623	1,618,642
E	Foreign exchange effects	B-D	-61,611	-18,863	0	-80,474
	Foreign exchange effects, %	E/A	-6%	-6%	0%	-6%
F	Organic change	C-E	122,345	70,108	3,470	195,923
	Organic change, %	F/A	11%	22%	43%	14%

Average key exchange rates

	Group	
	2025	2024
EUR	10.82	11.41
USD	9.20	10.52
JPY	0.0590	0.0699

Adjusted operating profit

	Group	
	Jan–Dec 2025	Jan–Dec 2024
Operating profit	412,467	423,371
Non-recurring items	-	54,251
Adjusted operating profit	412,467	477,622

Non-recurring items

	Group	
	Jan–Dec 2025	Jan–Dec 2024
Impairment of intangible assets MetaboGen	-	51,150
Other items	-	3,101
Non-recurring items	-	54,251

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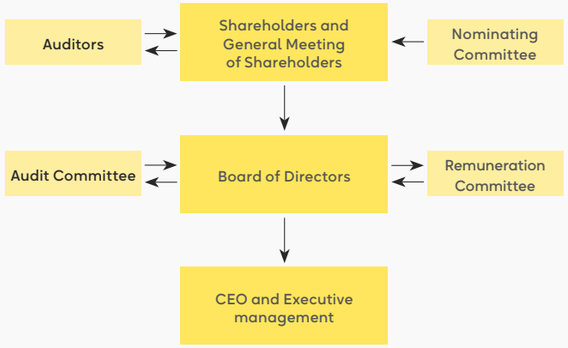
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Corporate Governance Report 2025

Corporate governance in BioGaia

BioGaia AB (publ), a Swedish public limited company whose class B shares are listed on the Nasdaq Stockholm, applies the Swedish Corporate Governance Code (the Code). The Code is available at www.bolagsstyrning.se, where the Swedish model for corporate governance is also described. This corporate governance report is submitted in accordance with the Swedish Annual Accounts Act and the Code and describes BioGaia's corporate governance during the 2025 financial year. In 2025, BioGaia has not deviated from any of the rules set out in the Code nor committed any violations of Nasdaq Stockholm's rules or good practice in the securities market. The corporate governance report has been reviewed by BioGaia's auditor, as set out on page 163.



Shares

At year-end 2025, the share capital in BioGaia amounted to SEK 20,232,462, consisting of 2,665,138 class A shares carrying 10 votes per share and 98,497,172 class B shares carrying one vote per share. Anatom Holding AG owns 6.36% of the capital and 17.46% of the voting rights in the company. Other individual shareholders hold less than 10% of the capital and voting rights. Additional information about the company's shares, shareholders, etc., is presented on page 164 and on the company's website under the heading Investors/The Share.

General Meeting of Shareholders

The General Meeting of Shareholders is the company's highest decision-making body. Notice of a general meeting of BioGaia's shareholders is given through an announcement in Post- och Inrikes Tidningar and on the company's website. An announcement that notice has been given is published in Svenska Dagbladet.

Shareholders representing 62,23 % of the total number of votes in the company attended BioGaia's Annual General Meeting on May 7, 2025. The CEO, most of the year's members elected by the Annual General Meeting, the Board Chairman, and the company's elected auditing firm attended the Annual General Meeting. Two representatives from the Nominating Committee were also in attendance. BioGaia's 2026 Annual General Meeting will take place on May 7, 2026, and the notice for the Annual General Meeting will be sent out at the end of March or no later than the beginning of April 2026. Shareholders who wish to have items included on the agenda of the meeting have, in accordance with instructions on the company's website, had an opportunity to submit a proposal to the company no later than seven weeks prior to the meeting.

In addition to statutory rights of shareholders to attend a General Meeting of Shareholders, BioGaia's Articles of Association require that shareholders who wish to participate in a General Meeting of Shareholders must notify the company no later than the day stipulated in the notice for the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve, or New Year's Eve, and may not occur earlier than the fifth weekday prior to the meeting. Each voting shareholder in BioGaia entitled to vote may vote for the full number of shares owned and represented by the shareholder with no limit to the number of votes. Class A shares entitle the holder to ten votes, and class B shares entitle the holder to one vote. If relevant, notice shall also be given of whether the shareholder intends to be accompanied by an assistant. Documents related to general meetings as well as meetings from earlier annual general meetings and extraordinary general meetings are available on the company's website under the heading Investors/Corporate governance.

Nominating Committee

The 2025 Annual General Meeting resolved that the Nominating Committee would be appointed as follows:

The Board Chairman shall convene the four largest shareholders in terms of voting rights in the company, each of whom may appoint one member to the Nominating Committee together with the Board Chairman. In determining the composition of the Nominating Committee, the largest shareholders in terms of voting power shall be based on the ownership situation at June 30, 2025. The Nominating Committee shall be chaired by the member representing the largest shareholder in terms of voting rights on that date. If any of the four largest shareholders should waive their right to appoint a member to the Nominating Committee, the next largest shareholder in order of size shall be given the opportunity to appoint a member. The names of the four shareholder representatives shall be made public as soon as they are appointed, but no later than six months prior to the 2026 Annual General Meeting. The term of office of the Nominating Committee shall extend until a new Nominating Committee is appointed.

If the shareholder who appointed the member is no longer one of the four largest shareholders in terms of voting power, and if the Nominating Committee deems it appropriate, the member shall leave and the next largest shareholder in order of voting power is given the opportunity to replace this member. If an appointed member of the Nominating Committee resigns for some other reason, the shareholder who appointed that member has the right to appoint a new member to the Nominating Committee. If this shareholder waives the right to appoint a new member, the Nominating Committee, if it deems so appropriate considering the remaining mandate period, shall ask the next largest shareholder in terms of voting power if they wish to appoint a member to the Nominating Committee.

The Nominating Committee shall prepare proposals on the following matters to be put before the 2026 Annual General Meeting for resolution:
a) appointment of the Chairman of the Annual General Meeting
b) election of the Board of Directors
c) election of the Board Chairman and possibly Vice Chairman
d) fees for Board members
e) election of auditors
f) fees for the auditors
g) appointment of the Nominating Committee ahead of the 2027 Annual General Meeting.

The Nominating Committee has been formed in accordance with the decision of the Annual General Meeting and consists of the Board Chairman Mauricio Graber, Alexander Kahane (also the Chairman of the Nominating Committee), appointed by Anatom Holding AG, the company's largest shareholder, Jannis Kitsakis, appointed by AP4, and Thomas Brown, appointed by the company's fourth largest shareholder Premier Miton Investors. [1]) All members of the Nominating Committee, except for Alexander Kahane, are independent in relation to the company and its Executive Management. No fees are paid by the company for work in the Nominating Committee, but BioGaia shall meet reasonable costs that the Nominating Committee deems necessary for completion of its assignment.

All shareholders have had the opportunity to approach the Nominating Committee with recommendations for Board candidates for further evaluation within the framework of the Committee's work. No suggestions or proposals have been submitted to the Nominating Committee to date. The Nominating Committee shall take into account diversity and breadth in the Board as well as strive for an even gender distribution.

1) Julie Gaskjenn, appointed by Cargill Inc., was initially a member of the Nominating Committee but resigned during the year.

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Board of Directors' size and composition

The Board has ultimate responsibility for BioGaia's organization and management. According to BioGaia's Articles of Association, the Board shall consist of no fewer than five and no more than nine members, with no more than three deputies. The Board was made up of eight members (without deputies) throughout the year. The Nominating Committee has applied the Code's rule 4.1 as a diversity policy when drafting the proposal for the Board. The Nominating Committee considers, which has also been the Nominating Committee's goal and the aim of the policy, that the Board has an appropriate composition and size and is characterized by diversity and breadth in terms of the members' competence and experience within areas of strategic importance for BioGaia. A presentation of the Board is provided on page 168.

Board independence

According to the Code, a majority of the Board shall be independent of the company and its Executive Management. At least two of the independent members shall also be independent in relation to the company's major shareholders. The composition of the Board meets the requirements in the Code related to the Board members' independence.

The work of the Board

According to the Board's rules of procedure, the Board shall hold at least five Board meetings, in addition to the statutory meeting. BioGaia has appointed the company's General Counsel to serve as Secretary at Board meetings. The CEO is not a member of the Board but, together with the company's CFO, is co-opted to attend all Board meetings. Other executives in the company take part in Board meetings in order to present reports. Every Board meeting has included an item on the agenda where the Board has had an opportunity for discussion without representatives of Executive Management being present.

The Board held 8 meetings in 2025. For information about attendance at these meetings, see the table on page 161. Ahead of Board meetings, members have received an agreed agenda for the meeting together with written material regarding issues to be handled at the meeting. A key part of the work of the Board is the financial reports that are presented, including the interim report, interim management statements, and year-end report. In addition, during the year, the Board addressed matters relating to innovation, product development and intellectual property rights. The Board also held detailed discussions about the overall strategy for BioGaia. The Board has adopted rules of procedure for its work as well as CEO instructions, which describe the division of work between the Board and the CEO.

The Board has also adopted a number of instructions and policies for conducting operations, for example, Signatory and authorization instructions, a Code of Conduct, Governance Policy, Financial Policy, Communication Policy, Insider Trading Policy, Anti-Corruption Policy, Conflict of Interest Policy, Information Security Policy, People Policy, Procurement Policy and Environmental Policy, as well as approved a new Data Privacy and AI Policy.

Evaluation of the Board

Within BioGaia's Board there are routines for an annual evaluation of the work of Board members. The evaluation provides a basis for improvements and for the work of the Nominating Committee with the composition of the Board.

All Board members assessed the Board's work in a survey concerning the Board's activities during the year. The surveys were analyzed to gain an understanding of the opinions of Board members on how the work of the Board is conducted and what measures might be taken to streamline the work of the Board. The intention of the surveys was also to find out what type of issues the Board considers should be given more space and in which areas additional competence might be required in the Board. The results of the evaluation have been discussed by the Board and reported to the Nominating Committee.

Board attendance in 2025 [1)]

Name	Elected in	Independent in relation to the company	Independent in relation to the major shareholders	Board meeting attendance	Audit Committee attendance	Remuneration Committee attendance	Board fee	Fee Audit Committee	Fee Remuneration Committee	Fixed salary
Total number of meetings 2025				8	4	4				
Peter Rothschild[6)]	2018	No	No	6 of 6		3 of 3	633,331		17,333	140,000
Mauricio Graber[2)]	2025	Yes	No	3 of 3		1 of 1	343,562		9,403	
David Dangoor	2003	Yes	Yes	8 of 8	4 of 4	4 of 4	530,000	71,000	52,000	
Anthon Jahreskog[3)]	2015	Yes	Yes	8 of 8	4 of 4	4 of 4	302,000	142,000	26,000	
Vanessa Rothschild[4)]	2020	Yes	Yes	8 of 8	3 of 4		302,000	71,000		
Bénédicte Flambard	2022	Yes	Yes	7 of 8			302,000			
Barbro Fridén	2023	Yes	Yes	8 of 8			302,000			
Outi Armstrong	2023	Yes	Yes	8 of 8			302,000			
Vesa Koskinen[5)]	2023	Yes	No	2 of 3			-			

1) If a member was unable to attend a Board meeting, they were able to submit their opinions to the chairman prior to the meeting
2) Mauricio Graber was appointed Board Chairman at an Extraordinary General Meeting on August 22, 2025.
3) Is not independent in relation to the shareholder Sebastian Jahreskog, who is not a major shareholder.
4) Vanessa Rothschild has been independent in relation to the company's major shareholders since the divestment of Annwall & Rothschild AB in May 2025.
5) Vesa Koskinen left the Board in May 2025.
6) Peter Rothschild resigned as Board Chairman at the Extraordinary General Meeting on August 22, 2025.

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Remuneration Committee

The Board has appointed a Remuneration Committee from among its members to prepare matters concerning remuneration and other terms of employment for the CEO and other senior executives who together make up the Group's Executive Management. The Remuneration Committee follows the guidelines for senior executives established by the Annual General Meeting in 2024. The membersof the Remuneration Committee consist of David Dangoor (chairman), Mauricio Graber and Anthon Jahreskog. During 2025, the Remuneration Committee held four minuted meetings. All members who were appointed at the time of the meetings were in attendance at these meetings.

Audit Committee

The Board has appointed an Audit Committee from among its members. The key task of the Audit Committee is to support the Board with quality assurance of the financial reporting. The Audit Committee also prepares matters relating to regulatory compliance and sustainability reporting. The company's auditors always attend the Committee's meetings to discuss and evaluate the audit approach. The Committee holds regular meetings with the company's auditors and evaluates audit work. The Committee discusses significant accounting issues that affect the Group and assists the Nominating Committee in the preparation of proposals for auditors and their remuneration. The chairman of the Audit Committee is responsible for ensuring that the entire Board is kept informed about the work of the Committee as well as, when necessary, presenting the Board with matters for decision. The Audit Committee's members comprise Anthon Jahreskog (chairman), David Dangoor, and Vanessa Rothschild. During 2025, the Audit Committee held four minuted meetings. The members of the Audit Committee attended each meeting.

CEO and Executive management

The company's chief executive officer (CEO) is appointed by the Board of Directors. The CEO is responsible for the company's business development and leads and coordinates the day-to-day operations. The Board has established instructions for the CEO that, among other things, regulate management and development of the company and the provision of reports and decision-making data to the Board. According to the CEO Instructions, the CEO shall refer the certain matters to the Board for decision:

The CEO prepares requisite information and basis for decisions such as reports relating, among other things, to the company's finances, order situation, significant transactions, and strategic issues ahead of Board meetings, and makes presentations including motivated proposals for decision. The CEO also keeps the Board Chairman regularly informed about the company's operations. The Board evaluates the work of the CEO annually.

Executive Management is presented on page 166. The management team is headed by the CEO and is responsible for planning, supervising and monitoring the company's day-to-day operations. Minuted meetings are normally held once a month. The responsibilities and powers of the Executive Management are defined in the job descriptions and in signature authority instructions.

Auditors

BioGaia's auditors are normally appointed by the Annual General Meeting for a period of one year. The 2025 Annual General Meeting resolved on re-election of the registered auditing firm of Deloitte AB to serve for the period until the end of the Annual General Meeting to be held in 2026. The auditing firm appointed Jenny Holmgren as Auditor in Charge. By decision of the Annual General Meeting, auditing fees are paid according to approved account.

The auditors examine the administration of the company by the Board of Directors and the CEO and the quality of the company's financial reporting. At the request of the Board, the auditors also review the interim report and the year-end report. The auditors report the results of their review to the shareholders through the audit report, which is presented at the Annual General Meeting. In addition, the auditors submit written and oral reports to the Executive Management, the Audit Committee, and the Board. The auditors participate at all meetings and report to the Audit Committee in connection with both the interim report for the second quarter and the year-end report. Furthermore, the auditors participate in at least one Board meeting a year in accordance with the Code. The auditors also submit an auditor's statement on the corporate governance report, the sustainability report, and a report on the examination of remuneration to senior executives.

Information about remuneration to the auditors can be found in Note 4 of the annual report.

Furthermore, the entire Board of Directors meets with the auditor at least once a year without the presence of the company's CEO or other members of the Executive Management

The Board's report on internal control over financial reporting for the 2025 financial year.

Introduction

Pursuant to the Swedish Companies Act, the Annual Accounts Act, and the Code, the Board of Directors is responsible for internal control. This description has been prepared in accordance with these rules and provisions and is thereby limited to internal control over financial reporting.

Internal control of financial reporting

The Board is responsible for ensuring that the company's organization is suitably structured so that the financial accounts, cash management and other financial conditions are satisfactorily controlled.

Every year, the Board of Directors adopts rules of procedure for the Board's activities and instructions regulating the division of responsibilities between the Board and the CEO. The instructions state which matters require approval or authorization from the Board. At Board meetings, the CEO reports on matters requiring consideration by the Board.

The CEO shall ensure that the Board is provided with the objective, detailed and relevant information needed for the Board to make well-founded decisions and that the Board is continuously informed about the development of the company's operations and financial position.

Aside from the instructions between the Board and the CEO, BioGaia's control structure is based on the company's organization and way of conducting operations, where roles and responsibilities are defined. Employee awareness of maintaining good control over financial reporting is high. The company's financial development is assessed and monitored monthly. Financial reports and summaries are prepared by the group's finance department and are reported to the Board quarterly and to the Executive Management monthly.

The company's values

BioGaia has overarching values and the company's employees are well aware of them. This is ensured through interviews during new recruitment and through regular workshops with each department.

Risk assessment

The company continuously works with risk assessment and risk management to ensure that the risks to which the company is exposed are handled within the limits ultimately established by the Board. The Executive Management continuously analyzes the company's business processes with regard to efficiency and risks. This work includes identifying significant risks for misstatements and deficiencies in the financial reporting and ensuring that there are suitable processes and controls in the company's operations to limit these risks. The most critical business processes and the absolutely largest values, in terms of both assets and business/product development are found in the Parent Company. In addition, the bulk of sales take place in the Parent Company. Processes that are deemed to be of particular importance to BioGaia are sales including quality assurance, research and development, and manufacturing. In 2023, management established a Risk Committee, which is headed by the CEO and comprises members of the Executive Management.

Control activities

The risks identified in the financial reporting are managed through a number of control measures in the company's processes. Processes and controls are reviewed and updated regularly in order to detect, prevent and correct any errors or inaccuracies. The control structure also includes the division of powers and responsibilities and the Executive Management's monthly review of the company's financial information.

Information and communication

BioGaia has information and communication paths aimed at promoting completeness and accuracy in the financial reporting. Authorization instructions and policies are distributed to all employees and can be viewed on the company's intranet. All BioGaia employees normally meet once a year to increase their knowledge about the company's processes and goals, as well as to exchange information and share experiences.

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Monitoring

The Executive Management performs a yearly evaluation of the effectiveness of internal control. The company's elected auditors, Deloitte AB, also review a selection of BioGaia's routines and internal controls annually. The Board then evaluates this information and ensures that measures are taken in respect of the identified deficiencies and resulting recommendations.

The company has no special review function (internal audit). In light of the company's size and the volume of transactions, together with the expertise in this area possessed by the Board of Directors and the Board's meeting with the independent auditor, the Board has determined that there is no reason to establish a formal internal audit function.

Stockholm, March 26, 2026

Mauricio Graber
Board Chairman

David Dangoor
Vice Chairman

Barbro Fridén
Member of the Board

Outi Armstrong
Member of the Board

Bénédicte Flambard
Member of the Board

Anthon Jahreskog
Member of the Board

Vanessa Rothschild
Member of the Board

Auditor's report on the corporate governance report

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

Engagement and responsibility

It is the Board of Directors that is responsible for the corporate governance report for the financial year from January 1, 2025 to December 31, 2025 on pages 160–163 and for ensuring that it has been prepared in accordance with the Swedish Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's recommendation RevR 16 The Auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination has provided us with sufficient basis for our opinions.

Opinion

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Swedish Annual Accounts Act and Chapter 7, Section 31, second paragraph, of the same Act are consistent with the annual accounts and the consolidated accounts and are in accordance with the Swedish Annual Accounts Act.

Stockholm, March 26, 2026

Deloitte AB

Jenny Holmgren
Authorized Public Accountant

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BioGaia share

Figures in parentheses refer to the previous year

Trading volume

BioGaia AB's B shares have been quoted on the OMX Nordic Exchange Stockholm since May 1998. On January 1, 2012, the shares were moved from the Small Cap List to the Mid Cap List.

In 2025, a total of 195,608 shares were traded daily on NASDAQ, with an average value of SEK 20,630,397 million per day.

The number of shareholders at December 31, 2025 was 14,489 (12,061). The number of shares in BioGaia AB amounted to 2,665,138 class A shares and 98,497,172 class B shares.

Share price development

The share price decreased from SEK 111.40 to SEK 106.20 in 2025. The highest closing price of the year was SEK 133.10, and the lowest was SEK 93.65. Market capitalization as at December 31, 2025 was approximately SEK 10.74 billion (11.32).

Dividend policy

The policy is to pay a shareholder dividend equal to 50% of profit after tax in the Group, excluding items non-recurring items. For the coming years, BioGaia intends to pay extra dividends of 50–100% of the Group's profit after tax after adjustments for non-recurring items, provided that future cash flows are in line with BioGaia's forecasts.

Incentive program

The company has an incentive program for all employees based partly on the company's sales and profit, and partly on qualitative targets. The maximum bonus is equal to 12% of annual salary. In addition to this program, BioGaia has also implemented an employee stock option program approved by the Annual General Meeting in 2024 and a share-based incentive program approved by the 2025 Annual General Meeting.

Distribution of ownership

	Total number of shareholders	
Number of shares	**Dec. 31, 2025**	Dec. 31, 2024
1–500	**10,936**	8,994
501–1,000	**1,305**	1,078
1,001–5,000	**1,669**	1,454
5,001–10,000	**229**	214
10,001–15,000	**77**	64
15,001–20,000	**43**	37
20,001–	**230**	220
Total number of shareholders:	**14,489**	12,061

The BioGaia share



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Largest shareholders in BioGaia at December 31, 2025 (source: Vantage, Euroclear)

	Class A shares	Class B shares	Capital (%)	Votes (%)
Anatom Holding AG	1,712,200	4,725,724	6.36%	17.46%
Corvatsch Invest AG	952,938	2,985,486	3.89%	10.00%
Fjärde AP-fonden		8,265,000	8.17%	6.60%
Tredje AP-fonden		2,508,356	2.48%	2.00%
Premier Miton Investors		2,370,453	2.34%	1.89%
Janus Henderson Investors		2,086,720	2.06%	1.67%
Allianz Global Investors		1,983,528	1.96%	1.58%
JP Morgan Asset Management		1,752,167	1.73%	1.40%
Handelsbanken Fonder AB		1,659,577	1.64%	1.33%
Blackrock		1,612,777	1.59%	1.29%
Other shareholders		68,547,384	67.76%	54.77%
Total	2,665,138	98,497,172	100%	100%

Changes in share capital since the company's formation

Year	Transaction	Increase in no. of shares	Increase in share capital, SEK	Total share capital, SEK	Total number of class A shares	Total number of class B shares	Quota value, SEK	Issue proceeds, SEK
1990	Company formation			150,000		30,000	5.00	–
1991	New share issue	12,857	64,285	214,285		42,857	5.00	4,500,000
1993	New share issue	12,554	62,770	277,055		55,411	5.00	4,394,341
1995	New share issue	2,303	11,515	288,570		57,714	5.00	806,009
1996	Bonus issue/Split	60,541,986	5,771,400	6,059,970	4,740,278	55,859,422	0.10	–
1996	New share issues	18,200,000	1,820,000	7,897,970	4,740,278	74,059,422	0.10	15,320,000
1997	New share issue Banco Fonder	2,608,696	260,870	8,140,840	4,740,278	76,668,118	0.10	5,760,000
1997	New share issue BioGaia Fermentation	4,400,000	440,000	8,580,840	4,740,278	81,068,118	0.10	7,469,000
1997	New share issue	21,452,099	2,145,210	10,726,050	5,925,347	101,335,148	0.10	38,597,265
1998	New share issue	5	1		5,925,350	101,335,150	0.10	20
1998	Reverse split				592,535	10,133,515	1.00	–
1998	New share issue (IPO Stockholm Stock Exchange)	2,681,512	2,681,512	13,407,562	740,668	12,666,894	1.00	57,934,131
2000	New share issue November	3,275,000	3,275,000	6,682,562	40,668	15,941,894	1.00	73,031,886
2000	New share issue December	425,000	425,000	17,107,562	740,668	16,366,894	1.00	11,505,294
2004	New share issue Industrifonden	100,000	100,000	17,207,562	740,668	16,466,894	1.00	100,000
2010	New share issue warrant program	63,400	63,400	17,270,962	740,668	16,530,294	1.00	4,862,780
2015	New share issue warrant program	65,500	65,500	17,336,462	740,668	16,595,794	1.00	15,844,450
2020	New share issue[1)]	2,860,000	2,860,000	20,196,462	740,668	19,455,794	1.00	1,144,000,000
2022	Split			20,196,462	3,703,340	97,278,970	0.20	–
2024	New share issue warrant program	180,000	36,000	20,232,462	3,703,340	97,458,970	0.20	20,815,200
2025	Change in number of votes			20,232,462	2,665,138	98,497,172	0.20	

[1)] Excluding underwriting costs

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Executive management



Theresa Agnew

Chief Executive Officer and President
Born in 1966. Theresa holds a B.S. in Biology from Boston College. Employed by the company since September 2023. Previously, she was Global Head of OTC at GlaxoSmithKline Consumer Healthcare (Haleon), and before that, she had executive roles within general management and marketing at Essilor and Johnson & Johnson.

Holds 3,150 B shares.
60,000 warrants.



Gianfranco Grompone

Chief Scentific Officer
Born in 1975. PhD in Microbiology, Cell and Molecular Biology and degree in engineering from ENSAR, France.
Employed by the company since 2020.

Holds 0 shares.
40,000 warrants.



Alexander Kotsinas

Executive Vice President and Chief Financial Officer
Born in 1967. MsC Applied Physics, Royal Institute of Technology, Stockholm, Bsc, Stockholm School of Economics.
Employed by the company since 2019.

Holds 7,000 class B shares.
40,000 warrants



Caroline Mofors

Executive Vice President and Chief Legal Officer
Born in 1972. Bachelor's degree and a Master of Laws (LL.M) in Litigation, Arbitration and Alternative Dispute Resolution from University of Paris II Panthéon- Assas, France.
Employed by the company since 2023.

Holds 390 B shares.
40,000 warrants.

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Ludvig Milesson

Chief Operating Officer
Born in 1977. Industrial Engineering and Management, Msc in engineering from Linköping University.
Employed by the company since 2021.

Holds 1,250 class B shares.
35,000 warrants.



Linda Hägglund

Chief Marketing Officer
Born in 1973. Masters in Economics and Business Administration from Umeå University.
Employed by the company since 2020.

Holds 190 class B shares.
35,000 warrants.



Ulf Björkdahl

Chief Commercial Officer.
Born 1978. Master of Science, Industrial Engineering and Management, Linköping University. Joined BioGaia on January 7, 2026.

Holds 0 shares.



Angelika Kjelldorff

Chief Human Resources Officer
Born in 1969. BSc in Human Resources, Stockholm University.
Employed by the company since 2019.

Holds 500 class B shares.
35,000 warrants.

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Board of Directors



Mauricio Graber
Board Chairman

Born 1963. Board Chairman. He has extensive and solid experience as a CEO in the food ingredients sector, as well as leadership roles within the nutrition and health sectors. He served as President and CEO of Chr. Hansen A/S from 2018 to 2024, and as President of the Flavour Division at Givaudan AG from 2006 to 2018, having previously held other leading positions within Givaudan. Mauricio Graber is a member of the Board of Directors and Deputy Chairman of the Board of Directors of Jungbunzlauer Holding AG, holds Board assignments in Barry Callebaut AG and AM SILK GmbH, and is a member of the Advisory Board of Novo Holdings A/S.

Holds 735,754 class B shares.



David Dangoor
Vise styrelseordförande

Born in 1949. Board Vice Chairman. Elected to the Board in 2003. BioGaia Board Chairman 2007–2018. MBA from the Stockholm School of Economics. Marketing and PR consultant. President of Innoventive Partners LLC. Former Executive Vice President and Marketing Director at Philip Morris USA and Philip Morris International. Other board assignments: New York City Ballet Inc., School of Creative Leadership, Berlin University and Swedish-American Chamber of Commerce (chairman 1997–2001).

Holds 875,000 class B shares.



Barbro Fridén

Born in 1956. Elected to the Board in 2023. Certified physician with a specialty in Ob&Gyn from the University of Umeå and a doctorate in Reproductive Physiology from the University of Gothenburg. Has upheld a number of leading positions in Swedish healthcare as head of departments both in public and private practice. Previously Managing Director for the Children's Hospital at Karolinska University Hospital, Stockholm, and CEO for the Sahlgrenska University Hospital, Gothenburg. Other current board assignments: Getinge AB, Apoteket AB, WeMind AB, Sophiahemmet, Bräcke Diakoni and the Swedish Sea and Rescue Organisation.

Holds 500 class B shares.



Bénédicte Flambard

Born in 1973. Elected to the Board in 2022. Has a Master of Administration from the University of Bath, a PhD from the National Institute of Agronomic in France and a Master in Corporate Entrepreneurial Leadership from the Technology Economics & Management in Denmark. Has held several senior positions in the health and agriculture industries and worked in senior positions with pharmaceuticals, health products and consumer goods, among others. Since 2019, Bénédicte Flambard is Global Head of Plant Health Business at FMC Corp. and stationed in Denmark. Other board assignments: Noscomed and Anizome.

Holds 0 shares.

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Outi Helena Armstrong

Born in 1967. Elected to the Board in 2023. Holds a master's degree in Agriculture Economics at the University of Helsinki, MBA from the University of Arkansas and has also studied psychology at Yale University. Outi has held senior D2C and B2B global marketing and commercial positions within life science, nutrition & health, food and agriculture industries in companies such as P&G, DSM, Halma, and SGS based in Switzerland.

Outi works currently as an advisor for investors and public and private companies.

Holds 1,582 class B shares.



Vanessa Rothschild

Born in 1986. Elected to the Board in 2020. Bachelor's degree in International Economics and Management from University L. Bocconi in Milan and has also studied business and market strategy and decision psychology at the business school HEC in Paris. Previously worked as Regional Sales Manager at BioGaia, COO at Iero, and has held various senior strategic positions within sustainable business development at the H&M Group.

Holds 160 class B shares.



Anthon Jahreskog

Born in 1980. Elected to the Board in 2015. Holds a bachelor's degree in Management and Systems from City, University of London and a master's degree in Financial Management from the University of Cape Town. Former Chief Operating Officer Fund Linked Products at Credit Suisse Investment, currently working as a business strategist and advisor in various industries.

Other board assignments: Fast Track Technologies Sweden AB (chairman), Infant Bacterial Therapeutics AB (IBT), Mistrale Invest Holdings Ltd and Hamilton Park Consulting Ltd.

Holds 16,000 class B shares.

Board memberships and holdings in BioGaia reported above reflect the situation as at December 31 2025.

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Antibiotics

Substances that kill or inhibit the growth of bacteria.

Diverticulitis

Inflammation of bowel pouches. Pouches are bulges in the lining of the large intestine.

Helicobacter pylori

A very commonly occurring bacteria in large portions of the world's population. Resides in the stomach and may lead to peptic ulcers and gastric cancer.

Clinical research

At BioGaia, this refers to research conducted on humans.

Lactobacillus

Lactic acid bacteria. A collective name for a group of microorganisms that occur naturally in various foods such as yogurt, olives and pickled vegetables. In the past, we consumed a lot of lactic acid bacteria, but today our diet lacks these beneficial bacteria. Some lactic acid bacteria are also present in the human commensal microbiota.

Lactic acid bacteria have vastly different properties and therefore may provide different health effects when consumed. There are large numbers of lactic acid bacteria, for example *L. reuteri* and *L. acidophilus*.

Limosilactobacillus reuteri (L. reuteri)

Species within the genus *Limosilactobacillus*. Most of BioGaia's probiotic lactic acid bacteria contain various strains of L*imosilactobacillus reuteri*, for example *Limosilactobacillus reuteri* Protectis. *Limosilactobacillus reuteri* was previously called *Lactobacillus reuteri*. The name was changed in conjunction with a taxonomic change in 2020 when a large number of species were given new names.

Membrane vesicles

Sacs (vesicles) formed from cell membranes that can be used to transport substances into and out of a cell.

Periodontal disease

A collective name for conditions that affect the tissues surrounding teeth, such as gingivitis and periodontitis.

Postbiotics

Postbiotics are non-living microorganisms or substances formed by such microorganisms that provide health benefits to their host.

Prebiotics

Food for the beneficial bacteria that live in our stomach and intestinal tract. Prebiotics are often dietary fiber.

Probiotics

Live microorganisms that, when administered in adequate amounts, confer a health benefit on the host.

Resistant bacteria

Bacteria that have become resistant to one or several antibiotics.

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Remuneration report 2025

Introduction

This report describes how the guidelines for remuneration to senior executivesfor BioGaia AB, adopted at the 2024 and 2025 Annual General Meetings, were applied in 2025. The report also includes information on remuneration to the Chief Executive Officer and Executive Vice Presidents, as well as a summary of BioGaia's bonus program and long-term incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's rules on remuneration to senior executives and incentive programs.

Additional information on remuneration to senior executives is provided in note 3 on pages 144–145. Information on the work of the Remuneration Committee in 2025 is provided in the corporate governance report on page 160. Fees for members of the Board are not included in this report. Such fees are determined annually at the Annual General Meeting and reported in note 3 on pages 144–145. The remuneration of SEK 140 thousand paid to the Board Chairman in addition to the director's fee in accordance with special approval from the Annual General Meeting in 2024 and 2025 is also specified there.

Development in 2025

The Chief Executive Officer summarizes BioGaia's overall results in the statement on page 18.

BioGaia's remuneration guidelines: application areas, purpose and deviations

BioGaia performs research and development to provide consumers with clinically proven, health-promoting, patented and user-friendly probiotic products.

Successful implementation of the business strategy and safeguarding BioGaia's long-term interests, including its sustainability, require BioGaia to be able to recruit, motivate and retain competent employees who work to achieve maximum shareholder and customer value. This requires BioGaia to be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

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

The fixed cash salary shall be individual and based on the senior executive's responsibilities and role as well as the individual's competence and experience in the relevant position. The variable cash remuneration may amount to a maximum of 50% of the fixed annual cash salary.

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

The guidelines are available on pages 131. BioGaia has followed the applicable remuneration guidelines adopted by the Annual General Meeting in 2025. The auditor's statement on BioGaia's compliance with the guidelines is available at www.biogaiagroup.com/investors/corporate-governance. No remuneration has been reclaimed.

Application of performance criteria

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

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

Table 1 Total remuneration to the Chief Executive Officer and Executive Vice President during the year

	Fixed salary[1)]	Variable remunera-tion	Stay on bonus	Pension insurance incl. health insurance	Total
Chief Executive Officer Theresa P Agnew	5,094	2,492		1,628	9,214
Executive Vice Presi-dents (2 individuals)	4,500	514	750	1,173	6,973

[1)] Fixed salary including vacation pay and other benefits

Variable remuneration

The company has an incentive program for all employees in the parent company based partly on the company's sales and results (quantitative portion), and partly on qualitative targets. The maximum bonus is equal to 12% of annual salary. The CEO and other employees in the group are subject to other specific variable remuneration programs.

For 2025, the quantitative portion (6%) was linked to budgeted sales and operating profit. Full quantitative bonus was achieved in 2025.

For 2025, a condition for the qualitative portion (6%) is that 90% of the sales budget had been achieved as well as being linked to individual targets.

Incentive program

BioGaia has implemented an employee stock option program ("LTIP 2024") and a performance share program ("LTIP 2025").

LTIP 2024

490,000 employee stock options ("options") were granted on March 16, 2025, of which 305,000 were granted to management. The options may be exercised for subscription of class B shares, in accordance with the terms of the options, provided that certain strategic and operational targets set by the Board of Directors are achieved. The targets are determined in advance by the Board of Directors and are linked to key events in the company's development, such as the company's financial performance and achievement of its strategic objectives.

The Board of Directors determines whether the vesting conditions have been met, and its decision is final and binding. Another requirement is that the holder of the options remains employed until the options are exercised.

LTIP 2025

332,500 performance share rights ("share rights") were granted on August 8, 2025, of which 170,000 were granted to management.

Each performance share right entitles the holder to receive class B shares in the company free of charge upon achievement of specific performance criteria following a performance period of approximately three years. Below is a description of how the various targets will be measured.

The operating margin represents 45% of the weighting in the performance share program ("the program"). The target will be measured between a threshold level and a maximum level during the program's term, with a linear allocation of the instruments based on the results between the two levels. If the outcome is below the threshold level, no shares linked to the target will be allocated.

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Sales growth represents 45% of the weighting in the Program. The target, like the operating margin target, will be measured between a threshold level and a maximum level. Given a scenario with an outcome between the threshold level and the maximum level, a linear allocation will be granted to the participant. If the threshold level is not achieved, no shares will be allocated to the participant.

ESG represents 10% of the weighting in the program. Unlike the other targets in the program, the ESG target will be measured against an absolute threshold. When the criterion is met, shares will be allocated. If the threshold level is not achieved, no shares will be allocated to the participant.

The shares are linked to the participant's employment with BioGaia. If the employment with BioGaia ends before the share rights have been converted into shares, all of the participant's unvested shares will be canceled, with certain exceptions for customary "Good Leaver" situations.

The target achievement for the Chief Executive Officer and Executive Vice Presidents and bonus are presented in the table below.

Table 2 Performance of the Chief Executive Officer and Executive Vice Presidents in 2025 (SEK 000s) variable cash remuneration

	Description of criteria in relation to the remuneration component	Relative weighting performance measures	Measured perfomance/ remuneration outcome
Chief Executive Officer Theresa P Agnew	Financial goals in relation to sales and operating margin	67%	100% / 1,670
	Qualitative targets	33%	100% / 822
Executive Vice Presidents (2 individuals)	Financial goals in relation to sales and operating margin	50%	100% / 257
	Qualitative targets	50%	100% / 257

The quantitative targets were related to the company's budgeted sales and operating profit for 2025. The targets were achieved since sales and operating profit exceeded the budget. The qualitative targets were related to both budgeted sales and operating profit, which were achieved, and operational business and process-related targets, which were also achieved.

Table 3 Changes in remuneration and the company's earnings over the last five reported financial years (SEK 000s)

	2025	2024	2023	2022	2021
Group operating profit (percentage change)	412,467 (-3%)	423,371 (-4%)	443,103 (+23%)	361,459 (+42%)	253,737 (+11%)
Chief Executive Officer Total remuneration (percentage change) [1]	9,214 (+6%)	8,732 (+19%)	7,317 (+39%)	5,252 (+36%)	3,866 (+20%)
Executive Vice Presidents (2 individuals) Total remuneration (percentage change)[2]	6,937				-
Average remuneration based on number of full-time equivalents employed in the group[3]	802 (+8%)	739 (+8%)	686 (0%)	686 (+3%)	664 (+10%)
Average remuneration based on number of full-time equivalents employed in the Parent Company[3]	1,075 (+11%)	946 (+12%)	864 (-6%)	924 (+8%)	856 (+19%)

[1] *The CEO was replaced in 2023. The remuneration for 2023 consists of the total remuneration of both CEOs for each period.*
[2] *One of the two Executive Vice Presidents assumed the position in 2025, therefore no comparative figures are presented.*
[3] *Excluding the Chief Executive Officer and Executive Vice President(s).*