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 Presidents (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.

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).*