



**Probi AB**  
A biotechnology company  
in probiotics



**Vision:** To help humans and animals stay healthy, feel better and enjoy longer lives.

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**Probi AB** is a world leading biotechnology company within the field of probiotics. Its head office is located in the Ideon Research Park in Lund, Sweden. Probi's customers are companies within the pharmaceutical and food and beverage industries. Probi conducts its own research and development into the immune system, gastrointestinal disorders, stress and recovery, and risk factors for cardiovascular disease. The company owns some 50 approved patents, and offers the market probiotic health products for humans and animals.

## Important events

- The acquisition of rights to Probi's patented bacteria in continental Europe increases the company's opportunities for international expansion through key players within the pharmaceutical and food and beverage industries.
- A clinical study carried out at the Pomeranian Academy of Medicine in Poland, which was accepted for publication in the American Journal of Clinical Nutrition, shows that Probi's patented bacterium *Lactobacillus plantarum* 299v (Lp299v), reduces several risk factors leading to cardiovascular disease. Risk factors such as fibrinogen, high cholesterol levels, high blood pressure and erroneous insulin levels are affected positively.
- Patent protection has been obtained in five countries, including the USA, for positive effects on the blood marker fibrinogen which is a risk factor for cardiovascular disease. In addition, a Europe patent has been obtained for Lp299v in combination with the amino-acid arginine.
- A new product was launched in Japan at the end of the year and went on sale in Natural Group's 500-strong chain of health shops. The product is a tablet containing the patented bacterium Lp299v.
- A multi-centre study has been initiated in order to document that bacterium Lp299v can counteract prolonged diarrhoea and inhibit infections in intensive-care patients. The project is opening up a very interesting market within the hospital sector.
- An International Scientific Board was formed during the year, comprising researchers with cutting-edge expertise in the company's research areas. The aim of the Scientific Board is to guide the company in strategic issues within research and development.
- Extensive work has been carried out to further improve the quality of the laboratory operation and clinical trials.
- A production plant has been acquired in order to help future partners with the supply of bulk product.

### Results in brief

- Turnover SEK 20.6 million (18.5). An increase of 11 per cent compared with the previous year.
- Result before tax SEK -27 million (5.3), of which SEK 15.1 million refers to amortization of all previously capitalized expenditure for research and development (R&D).
- Investment in intangible assets amounted to SEK 41.4 million (13), of which SEK 40 million relates to the acquisition of European rights for Probi's patented bacterium. Skane Dairy will reinvest the reimbursement in marketing for ProViva.
- Costs amounted to SEK 49.7 million (+57 per cent), mainly as a result of write-downs in accordance with new

- recommendations regarding research and development.
- The Group's cash and bank balances at the end of the year amounted to SEK 49.3 million (77.1).
- At the year-end the company had 17 employees.

## Message from the CEO

### 2001 – a year of preparation for international expansion

Probi is today a world-leading biotechnology company within research and development in probiotics. We have developed from a research company that focused exclusively on "functional food" to a company that now targets international pharmaceutical and food and beverage companies. In 2001 we have strengthened the company and carried out preparations for international expansion.

### Key issues in 2001

In the past year Probi has focused on three key issues: discussions with potential partners, supplementing and strengthening the research portfolio and preparing the organization for work with international players.

We carried out a thorough market analysis and identified desirable partners on the pharmaceutical and food and beverage markets. The acquisition of the rights to Lp299v in continental Europe from Skane Dairy affords us an opportunity to realize our global growth strategy of entering partnerships with major companies within the pharmaceutical and food and beverage industries. Discussions with selected companies have been intensified during the year.

We have continued our intensive investment in research and development, and several clinical trials were concluded in 2001 with positive results. The study that attracted the greatest international interest shows that our bacterium Lp299v reduces a series of risk factors that can lead to cardiovascular disease. Patent protection was also strengthened through new USA and Europe patents. We have established an International Scientific Board of highly qualified scientists. The aim of this Board is to guide Probi in issues related to research and development.

In 2001 we have worked to supplement and prepare the organization for new collaborations, which involves continuously upgrading our expertise and experience. This is in order to satisfy high demands on production, clinical trials and product development. Today we have an ambitious, creative and inquisitive organization and we maintain a high rate in our research. As the business develops, we will add further cutting-edge expertise.

### Continued good sales growth for Probi's patented bacterium

In 2001 we generated a turnover of over SEK 20 million, mainly through revenue from royalties. This represents an increase of 11 per cent. Skane Dairy increased its sales of the ProViva drink in Sweden by 16 per cent. This is the sixth consecutive year that sales of ProViva have grown by over 15 per cent. The negative operating results are largely due to the new accounting recommendation from the Swedish Financial Accounting Standards Council, whereby previously capitalized R&D expenses are now amortized. Our liquid assets amounted to SEK 49 million at the year-end. Probi has good liquidity, which lays the foundation for us to follow our development plan.

### Development of the probiotic market

The international market for probiotics is currently valued at around SEK 30 billion. The market is driven by people's interest in improving their health situation and avoiding common national diseases. Other driving forces include the pharmaceutical companies' heightened interest in natural products as a complement to conventional medication. Patients are gradually demanding more of this type of treatment, and as a result the pharmaceutical companies view probiotics as an interesting market. Food and beverage companies have already seen great potential in probiotic products in view of consumers' increased interest in well-being.

### Strong research position in the market

I can affirm that Probi has a unique research position in the probiotic market. We have broader, better medical documentation than our competitors because we have documented positive effects on both healthy people and seriously ill patients. We have been able to show positive research results within all of our prioritized research areas. Twelve clinical studies are currently in progress, partly with the aim of demonstrating Lp299v's positive effects on inflammatory bowel diseases (IBD). We have also been able to show that Lp299v is a safe bacterium, and both leukaemia patients and HIV-infected children have tolerated high doses of our bacterium.

We primarily target major players within the pharmaceutical and food and beverage industries. This enables powerful launches for our products, and we can thereby achieve large volumes. We offer pharmaceutical companies broad medical documentation, high productivity in our clinical trials and strong patent protection.

The launch of a lactose-free Lp299v-based tablet on the Japanese market at the end of the year is the first example of products with more of a medical character.



Even today we can show food and beverage companies a strong sales trend for our products on individual markets, such as Sweden. We also offer these companies a large number of product concepts such as various fruit drinks and yoghurts.

### Objectives for 2002

Probi aims to help humans stay healthy, feel better and enjoy longer lives. I strongly believe that we can realize this mission, particularly through our expertise and the goal-oriented way in which we work. We have defined a number of goals to help us achieve our mission. Our main goal for 2002 is to sign at least one agreement with an international player. Within R&D our goal is to begin documenting new bacteria strains and initiate a series of clinical studies, mainly within the areas of the immune system and risk factors for cardiovascular disease. We will also continue our product development, primarily in order to satisfy the needs of the pharmaceutical market. With our focus on R&D and patent protection, and aided by our extensive probiotic expertise, I am convinced that 2002 will be a successful year for Probi and our shareholders.

MONICA WALLTER, CEO & PRESIDENT



## Probi in brief

Probi is a world leading biotechnology company within the probiotic market. Probiotics are living micro-organisms with scientifically documented positive health effects. Probi's most extensively documented bacterium *Lactobacillus plantarum* 299v has indicated unique medical effects. This opens up a large market encompassing an area ranging from food and beverage to pharmaceutical, and segments in between such as health food, medical food and non-prescription drugs. Probi conducts research and development in order to make products for sale on the pharmaceutical and food and beverage markets.

### Vision

To help humans and animals stay healthy, feel better and enjoy longer lives.

### Business concept

Probi shall research and develop probiotic products meeting specific health needs.

### Objectives

- Probi's objectives are to
- enter licence agreements with international pharmaceutical and food and beverage companies.
  - continue to strengthen documentation within our four research areas.
  - continue profiling the company internationally as a world leading biotechnology company within the probiotic market.

### Strategies

Our strategies to fulfil the goals are to

- attract international partners within the pharmaceutical and food and beverage industries through solid, extensive documentation.
- further strengthen documentation of Lp299v and other interesting bacteria strains.
- develop new product concepts for the food and beverage and pharmaceutical markets.
- continue to build strong patent protection for our bacteria strains.

### Customers and markets

The global market for probiotic products is currently worth around SEK 30 billion, and is growing by approximately 20 per cent a year. The best-developed markets are Japan and Sweden. The markets judged to have the largest growth potential in the near future are the USA and Western Europe. The driving forces behind the market are primarily people's increased focus on better health, the pharmaceutical companies' growing interest in natural products, and the food and beverage companies' understanding of the fact that consumers want products that can increase well-being.

Probi's customers are existing and potential partners within the pharmaceutical and food and beverage industries. The company also develops probiotic products for animals. Probi offers partners licences for products and product concepts. The partners in turn market, distribute and sell the products to the end consumer, in the form of functional food, i.e. food with health benefits, health-food

products, non-prescription drugs, and medicines. Other players on the probiotic market include Danone, Nestlé, Valio, BioGaia and Yakult.

**Products**

Probi has developed several probiotic lactobacillus strains that are used in various products. *Lactobacillus plantarum* 299v is available on the market in a fermented oat mix, in the fruit drink ProViva, the recovery drink ProViva Active, yoghurt and in tablet form. Other strains include *Lactobacillus rhamnosus* 271 and the bacterium for horses *Lactobacillus plantarum* JI:1.

**Research**

With the studies on Lp299v, Probi currently has the broadest documentation among the probiotics companies on the global market. The research differs from that of the competitors as the company has carried out clinical studies on both healthy people and seriously ill patients.

We have been able to demonstrate positive effects within several different medical areas. Probi focuses its research on four areas:

- Risk factors for cardiovascular disease
- The immune system
- Gastrointestinal disorders
- Stress and recovery

Probi is conducting some 20 research projects and has 12 clinical studies in progress. Through its research and clinical trials, the company has been able to show that the products have medical effects within the four research areas. Probi owns some 50 approved patents in 13 patent areas. The company has built up a network of international research teams, and works together with specialists in many different areas such as microbiology, nutritional physiology, immunology, surgery and medicine.

**Production**

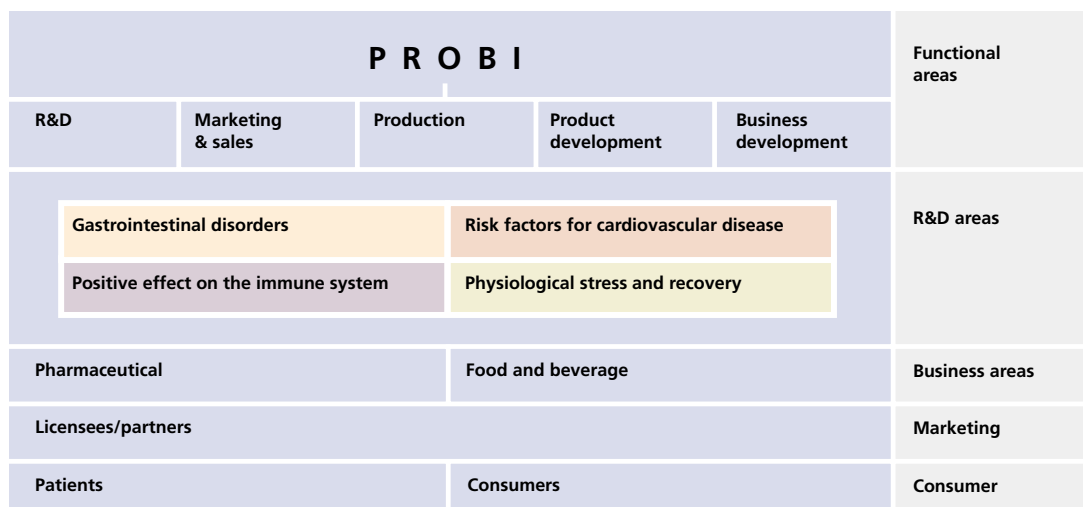
Probi's oatbase, fermented oats with living bacteria culture, is produced at the company's own factory in Sösdala outside Lund, southern Sweden. The oatbase is a good substrate for Lp299v. The production can be scaled up quickly in order to meet new partners' oatbase delivery requirements. Production also takes place at Probi's own cultivation plant in the Ideon Research Park in Lund. Here the bacteria culture are produced in accordance with strict quality requirements.

**Employees and organization**

The company has 17 employees, the majority of whom work in research and development. The head office is located in the Ideon Research Park in Lund. The organization includes departments for research and development, marketing and sales, production, product development, and business development.

**History**

Probi was founded in 1991, emerging from a research project which had been in progress at Lund University for several years. The purpose of the research project, which was a co-operation between microbiologists, surgeons and food technologists, was to develop an entirely new kind of nutritional product for patients who needed to be tube-fed or who needed nutritional additives in connection with advanced surgery. The product was to be based on oatmeal, and acidified with a special lactic acid bacterium (*lactobacilli*) which could pass through the gastrointestinal tract where it would have a positive effect. In 1994 Skane Dairy launched ProViva, which is today internationally regarded as a success in the field of functional food. The company was listed on the stock exchange in 1998 and is now listed on the Equity list of the Nordic Growth Market, in Sweden.



*The Probi business model.*

## The breadth of the research creates a unique position on the world market

Probi currently has the broadest documentation of probiotics on the global market. The research differs from that of the competitors as Probi has carried out clinical studies on both healthy people and seriously ill patients. We have been able to demonstrate positive effects within several different medical areas. The company's own strain of bacteria Lp299v is the primary focus.

Probi focuses its research on four areas:

- Gastrointestinal disorders
- The immune system
- Risk factors for cardiovascular disease
- Stress and recovery

Work to isolate and characterize interesting new bacteria strains is an ongoing process within Probi's research and development department. Probi's research concentrates on clinical documentation, identification of the bacteria's mechanism of action, and developing new probiotic product concepts. The bacteria strains can be used alone or in combination with other substances. In 2001 several new bacteria strains have been studied in animal models and artificial systems.

### Scientific breadth

The breadth of its research is the most important reason for Probi's solid position today as a central player on the world market for probiotic research and development. During the year, the business has focused on further improving the quality of research, documentation and processes. Studies will be carried out within each research area, both on healthy people and various patient groups.

These studies are of interest to the food and beverage and pharmaceutical industries alike. The company also invests a great deal in basic research.

"It is important to us to have both breadth and depth in our research. The bacteria we work with have been shown to have a wide area of application, and it is therefore vital to define the underlying mechanisms of action," says Marie-Louise Johansson-Hagslätt, Director of R&D at Probi.

A strong network of research teams combined with Probi's comprehensive documentation, makes it possible to further adapt the company's research in order to increase interest from existing and potential partners within the pharmaceutical and food and beverage industries.

### New studies show positive results

Probi's research and development achieved great success in 2001 in many respects. A new study was presented in August 2001 which shows that the bacterium Lp299v reduces several of the most common risk factors leading to cardiovascular disease. Another study focusing on Lp299v's effect on risk factors for cardiovascular disease began in 2001. This study is being carried out in Sweden and is expected to be completed in 2002. A further study within this area is being planned.

A study which showed that taking Lp299v in ProViva relieved symptoms for people with irritable bowel syndrome (IBD), was published in the European Journal of Gastroenterology and Hepatology. Irritable bowel syndrome is a type of gastrointestinal complaint, estimated to affect 30-40 per cent of the population in the western world.

A major study began in 2001 involving many Swedish hospitals, the aim being to document Lp299v's effects on prolonged diarrhoea and infections in intensive-care patients. The project presents extensive commercial opportunities within the hospital sector. A study into how Lp299v affects inflammatory bowel disease, such as Crohn's disease and ulcerative colitis, began in 2001.

Research projects are currently in progress within each of Probi's prioritized areas.





- Gastrointestinal disorders: A study has begun to investigate the effect of Lp299v on inflammatory bowel disease. Studies are also being made into the effects of Lp299v on various intestinal infections, and to document the bacterium's positive influence concerning side effects in cytotoxin treatment.
- The immune system: Studies into how Probi's bacteria strains affect the immune system, primarily in healthy people. These are linked to earlier studies on HIV-infected children.
- Risk factors for cardiovascular disease: Studies about the effects of Lp299v on the risk factors for this type of disease. The mechanisms of action are being investigated.
- Stress and recovery: Study into how our bacterium together with anti-oxidants affect sportsmen and people under stress.



Product development is a vital part of the company's work. Several product concepts have been developed for partners within the food and beverage industry. In 2002, a new milk adapted for children will be introduced in collaboration with Skane Dairy. Lp299v is now available in tablet form, and Probi has applied to register the product as a natural remedy in Sweden. This lactose-free tablet was introduced during the year in Japan – the largest market in the world for probiotic products.

A range of other product concepts will be developed in the years to come, with a focus on satisfying the needs of the pharmaceutical sector. A newly developed product is already being used in two major clinical studies.

Research and development areas	Gastrointestinal disorders	The immune system	Risk factors for cardiovascular disease	Physiological stress/recovery
Patent areas	8	5	4	4
Clinical studies	5 completed 8 in progress	2 completed 1 in progress	3 completed 3 in progress	1 completed
Indications	IBS (irritable bowel syndrome) IBD (inflammatory bowel disease) Gastrointestinal infections and surgery Side-effects from cytotoxin treatment	Immunomodulation HIV	Risk factors for cardiovascular disease, e.g. fibrinogen, cholesterol, blood pressure	Physiological stress Anti-oxidativ capacity

*Probi pursues its research and development within several indication areas, and works actively with patent protection.*

## Five questions

### Five questions to Marie-Louise Johansson-Hagslätt, Director of R&D

*What are the driving forces for the research and development team?*

“Curiosity and the joy of discovering things – the desire to investigate the unknown is probably the most important. Obviously this goes hand in glove with professionalism and credibility. The entire operation is characterized by these values. Essentially we are driven by a desire to help other people, to help create a better quality of life.

Naturally we also want to help strengthen Probi in its role as a world-leading biotechnology company in probiotics, through scientific studies and international collaborations. We want to develop new areas of use and application to enable us to fulfil new health requirements.”

*What are your research objectives for 2002?*

“Our objectives are to:

- increase documentation of our Lp299v bacteria strain within our four research areas, and continue to secure industrial and intellectual property rights.
- study how the immune system in healthy people is affected by our probiotic bacteria.
- continue basic research in collaboration with specialists at various universities in order to identify new strains and to define the mechanisms of action.”

*How can Probi further improve its research and development?*

“Quality in everything we do is most important of all. We have started a comprehensive initiative to further improve our processes and documentation. It’s also important to continue to establish new contacts with different research teams in Sweden and internationally.”

*Why do you find being a researcher at Probi so interesting?*

“It’s a unique opportunity to work together with other researchers in various fields, in order to understand the significance of intestinal flora and the role probiotics play here. It’s a truly exciting challenge!”

*What would you like to see happen within R&D in 2002?*

“I’d like the initial clinical studies of our new bacteria strains to show positive clinical effects. That would open up the way for new product concepts.”



## A focus on quality

Probi documents its products using randomising, double-blind controlled studies. This is to ensure that the consumer products deliver the promised effects. In 2001, the R&D organization was adapted further in order to uphold our quality requirements. We continuously introduce documentation procedures that are used within the pharmaceutical industry.

### International research areas

Probi enjoys productive collaboration with a range of different research teams both in Sweden and internationally. In this way the company can ensure it has access to cutting-edge expertise within its prioritized fields of research. Probi participates in several international collaborations, including an EU project focusing on the safety of probiotic bacteria.

We have co-operated successfully with Lund University for several years within basic research. At Cornell University in the USA, a longer project is under way within immunology that focuses on children infected with HIV from birth. This project encompasses both basic and clinical research.

At the University of Ottawa in Canada, a research project is in progress which is examining how Lp299v affects the intestinal mucous membrane and underlying operative mechanisms. Probi is co-operating with the Pomeranian Academy of Medicine in Poland in the clinical field, focusing on research into risk factors for cardiovascular disease. An initial study was published in *Arteriosclerosis* during 1998, and in spring 2002 the study into

#### Probi's R&D offer:

4 patented bacteria strains

50 or so approved patents

13 patent areas

7 product concepts

11 completed clinical studies

20 R&D projects in progress

12 clinical studies in progress

Lp299v's effects on several risk factors will be published in the renowned American Journal of Clinical Nutrition.

An International Scientific Board of qualified researchers was founded in 2001. The aim of the Scientific Board is to penetrate topical research issues and guide the company in strategic matters concerning future research and development. The members have a wide range of different expertise in areas such as immunology, nutrition, microbiology, surgery, internal medicine, paediatrics and food technology.

## Patents

Probi currently owns some 50 approved patents within 13 patent areas. The company has an proactive strategy of patenting new knowledge and clinical effects for products, processes and applications. Continuous efforts are in progress to further strengthen patent protection. This applies to the bacteria strains developed and their application, as well as the unique product concepts devised by the company. Today's product concepts are supported by a large number of separate patents.

#### Our four fields of R&D are protected by several patent areas:

- Gastrointestinal disorders: 8 patent areas
- The immune system: 5 patent areas
- Risk factors for cardiovascular disease: 4 patent areas
- Stress and recovery: 4 patent areas

#### Important events within patenting in 2001

- Patent protection has been obtained in five countries, including the USA, for positive effects on the blood marker fibrinogen, which is a risk factor for cardiovascular disease.
- A Europe patent has been obtained for Lp299v in combination with the amino-acid arginine. The first bacteria patents expire in 10 years' time.



# Probi has a good position on a market experiencing strong growth

The market for probiotic products is estimated to be worth SEK 30 billion.\*

Growth is expected to be in the region of 20 per cent a year in the years to come. With a strengthened organization and a clear strategy, Probi is well equipped to take an increased share of the market together with existing and potential partners.

Strong partners are crucial to the success of Probi's business model. Probi is a research and development company that offers partners licences for products and product concepts developed in-house. The licensees market, distribute and then sell the products to the end consumer. Probi's revenue mainly comprises royalties from the licences.

## Current partners

Probi currently has three partners, Skane Dairy being the largest. Skane Dairy has successfully launched ProViva in Sweden, and today it is Sweden's most successful functional food product. In 2001 sales increased by over 15 per cent for the sixth consecutive year. A ProViva yoghurt was also launched by Skane Dairy during the past year.

Other partners include DevRx Laboratories which is the licensee in the USA for Probi's probiotic products for horses. In Japan, Natural Group has been selling the Lp299v tablet in its 500 stores since the end of the year. Natural Group also offers consumers an extensive network sales service.

## Strong offer for food and beverage companies

Probi's broad research creates an interesting offer on the probiotics market compared with its competitors.

*Lactose-free* – Probi can offer non-milk based products. The majority of the world's population – 50 per cent in southern Europe and 90 per cent in Asia – have a milk-sugar (lactose) intolerance.

*Bacteria that can withstand low pH values* – Probi's bacterium Lp299v survives in acidic environments, making it possible to add them to juices, for example.

*Broad documentation* – Opens up opportunities to gain further market positions.

*Several product concepts* – Probi has a great many product concepts including fruit drinks, recovery drinks, yoghurts, ice-cream and tablets.

*Global rights* – Partners can obtain the global rights to Probi's patented bacterium.

*Higher profitability* – Probi's probiotics enable partners to charge higher prices and generate better profitability.

\* Source: Datamonitor. IMS: Food for thoughts. Arthur D. Little, press cutting.



**The company also has an interesting offer for pharmaceutical companies**

*Clinical documentation* – Lp299v is one of the few probiotic products that according to clinical documentation has specific medical effects on HIV treatment, as well as a positive effect on risk factors for cardiovascular disease and irritable bowel syndrome.

*Alternative treatment* – There are few optimal medicines for one of our most common national diseases, irritable bowel syndrome. Probi's products have a documented positive effect on the symptoms.

*Broadest effect* – Positive effect on several risk factors for cardiovascular disease. Medicine is usually targeted at a

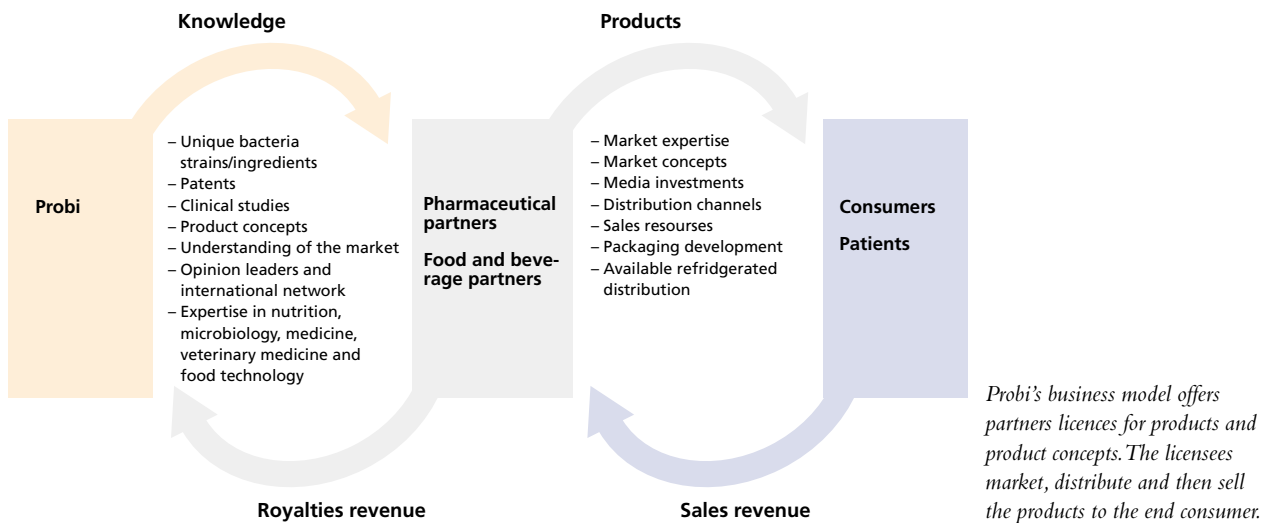
specific indication such as high blood pressure or high cholesterol levels.

*Product concepts* – A product has already been developed and is being tested in clinical studies.

*Development* – More new concepts are in the advanced stages of development.

*Patent protection* – We have strong patent protection for our bacteria and their applications.

Thanks to a unique research and patent portfolio, a comprehensive product range and an organization focused on delivering quality at every stage, Probi is well equipped for new partners.



Research and development areas	Gastrointestinal disorders	The immune system	Risk factors for cardiovascular disease	Physiological stress/recovery
The food and beverage market	Existing concepts – Fruit drinks – Yoghurts – Tablets – Ice-cream	Completed new product concept	Product concept in development phase	Existing concept – Recovery drink
Pharmaceutical market	Completed new product concept  Product concept in development phase	Product concept in development phase	Product concept in development phase	

*There is an interesting offer for partners of products and product concepts within the market segments where Probi wishes to operate.*



## Flexible production can provide rapid support in the growth phase

Probi's patented oatbase, fermented oats with living bacteria culture, is produced at the company's own factory in Sösdala outside Lund. Production can be scaled up quickly so that new partners can have the oatbase produced and delivered.

Probi has acquired the plant in Sösdala in order to safeguard bulk production. Production, which falls into the borderland between food, biotechnology and pharmaceutical, has to fulfil a series of quality requirements. The company has upgraded the plant in order to satisfy internal quality requirements and customers' expectations.

Production in Sösdala maintains high food standards. This entails good quality in the following areas, for example: chain of custody, preparing control stages, purification validations and procedures for product changeover.

Today, study products are produced in the plant for clinical trials, together with the company's probiotic product for horses, ProEquo.

In 2002, further investments will be made in the plant in order to strengthen quality control and to secure delivery of input goods for existing and potential partners.

Furthermore, work to reduce energy consumption and minimize our impact on the environment began in 2001.

In addition to the production facility in Sösdala, Probi has a cultivation centre at the Ideon Research Park in Lund, where it produces its own patented bacteria. The bacteria are produced under stringent hygiene requirements and a well-developed control programme.

## The board

### THE CHAIRMAN OF THE BOARD:

**Sören Gyll**, Saltsjö-Duvnäs (b.1940)

The chairman of Svenskt Näringsliv. On the board since 2001. Other board duties with Skanska, SKF, SCA and others.

**Rolf Bjerndell**, Malmö (b.1951)

MD for Skane Dairy. On the board since 1996. Other board duties with Sykon AB, Ellco AB, Aspekta AB, Wilhelm Sonesson AB and others.

**Berthold Lindqvist**, Malmö (b.1938)

M.D.hc, director. On the board since 1998. Other board duties with Munters AB, Pharmacia Inc., Securitas AB, Trelleborg AB, JM AB and others.

**Göran Molin**, Lund (b.1949)

Professor of food hygiene. On the board since 1998.

**Kåre Larsson**, Bjärred (b.1937)

Professor of food technology. On the board since 1991. Other board duties with GS Development AB, Camurus AB, Heptahelix AB, Ordio AB and others.

**Bengt Jeppsson**, Lund (b.1946)

Professor of surgery. On the board since 2001.

### DEPUTIES:

**Jan Persson**, Tygelsjö (b.1945)

Head of Market business area at Skane Dairy. On the board since 1996. Other board duties with Saturnus AB.

**Peter Zakrisson**, Lidingö (b.1961)

CEO of H & B Capital. On the board since 2000. Other board duties with Boblbee, Besthand.



From left: Berthold Lindqvist, Monica Wallter, Rolf Bjerndell, Sören Gyll, Bengt Jeppsson, Göran Molin. Kåre Larsson is missing from the picture.

## The management group



**Monica Wallter** CEO. **Clas Lönner** PhD, Director Production & Product development. **Niklas Bjärum** Director Marketing & Sales. **Per-Ola Forsberg** Director Finance & Administration. **Marie-Louise Johansson-Hagslätt** PhD, Director Research & Development.

## Key group figures

	Def.	2001	2000	1999	1998
<b>Growth</b>					
Turnover	1)	20 564 065	18 466 690	14 605 681	12 040 799
Increase in turnover (%)		11	26	21	10
Average number of employees		16	15	13	10
Assets		110 386 183	111 457 327	36 716 951	37 744 386
Operating balance	2)	27 757 288	77 985 498	12 761 475	19 461 849
<b>Financial balance</b>					
Quick asset ratio (%)	3)	205	2 158	553	663
Equity ratio (%)	4)	73	97	94	92
Debt ratio (%)	5)	5	0	0	0
Equity per share, SEK		1.96	2.62	1.05	1.06
<b>Profitability</b>					
Return on total assets (%)	6)	-24	-7	0	1
Return on equity (%)	7)	-29	-7	-1	1
Operating margin (%)	8)	-141	-37	-2	-1
Profit margin (%)	9)	-131	-29	-1	2

**Definitions** 1) Net turnover including other operating income. 2) Current assets minus current liabilities. 3) Current assets minus stock inventory as a percentage of current liabilities. 4) Equity as a percentage of total asset. 5) Interest carrying liabilities as a percentage of equity. 6) Operating result plus interest income as a percentage of average total assets. 7) Result before taxes as a percentage of average equity. 8) Operating result as a percentage of turnover. 9) Result before taxes as a percentage of turnover.



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