



Probi AB

Pareto Securities' Healthcare Conference 7-8 September 2022

Tom Ronnlund, CEO
Henrik Lundkvist, CFO

September 7, 2022



Safe Harbor Statement

This presentation contains certain forward-looking information that reflects Probi's present view of future events, as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development, and actual outcomes may differ materially from the statements set forth in the forward-looking information. Given the risks associated with forward-looking statements, recipients of this presentation are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements referred to above speak only as at the date of the presentation. Probi will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect future events, circumstances, anticipated events, new information or otherwise except as required by law or by any appropriate regulatory authority.

Probi does not make any guarantee, representation or warranty, express or implied, as to the accuracy, completeness or fairness of the information and opinions contained in this presentation, and no reliance should be placed on such information. Probi does not accept any responsibility or liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.





Agenda

- 1 Introduction
- 2 The Probiotic market
- 3 Our company
- 4 Performance update
- 5 Q&A

Probi

A leading international B2B probiotics company



Founded 1991



SEK 658 m Net Sales



HQ in Lund, Sweden



28% EBITDA margin



40 markets



90% Equity ratio



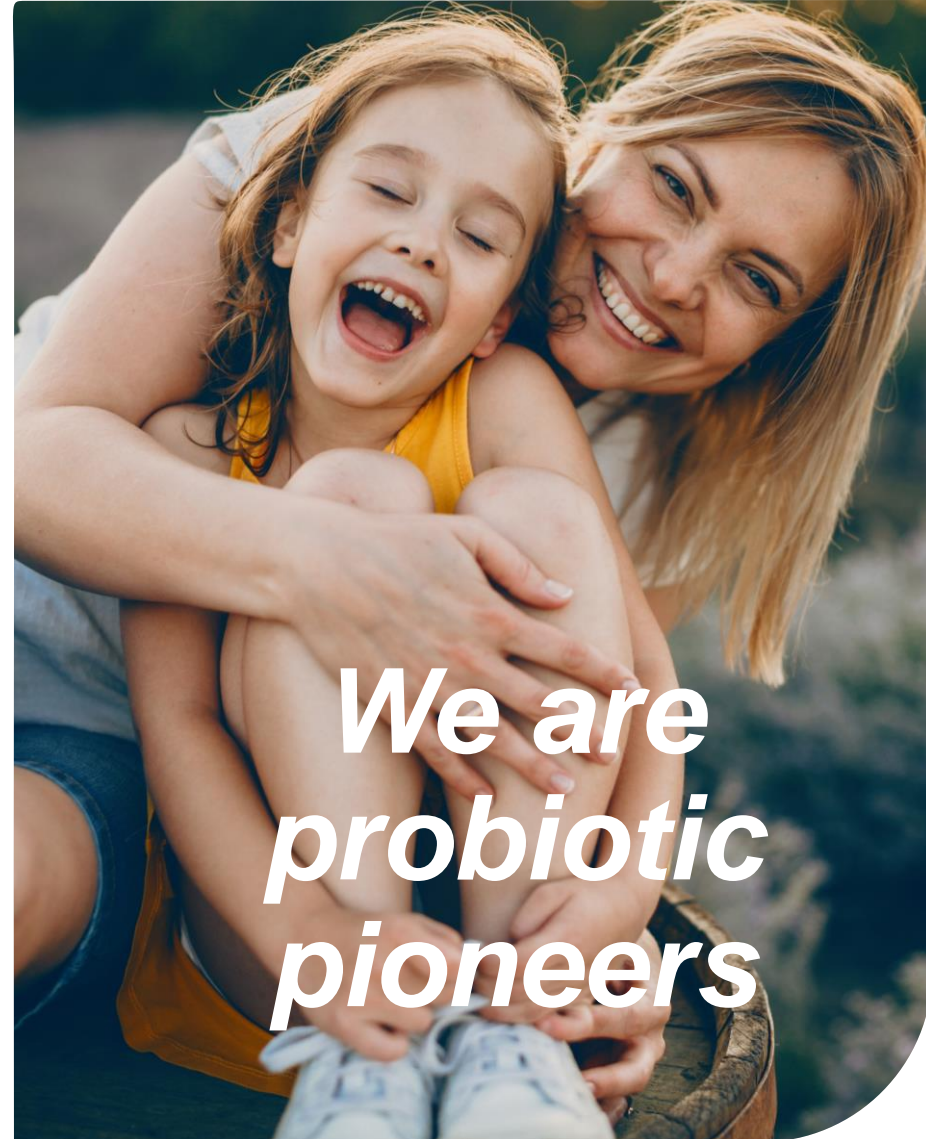
~180 employees across 4 global sites



Listed on NASDAQ
SEK 2 800 m M.Cap

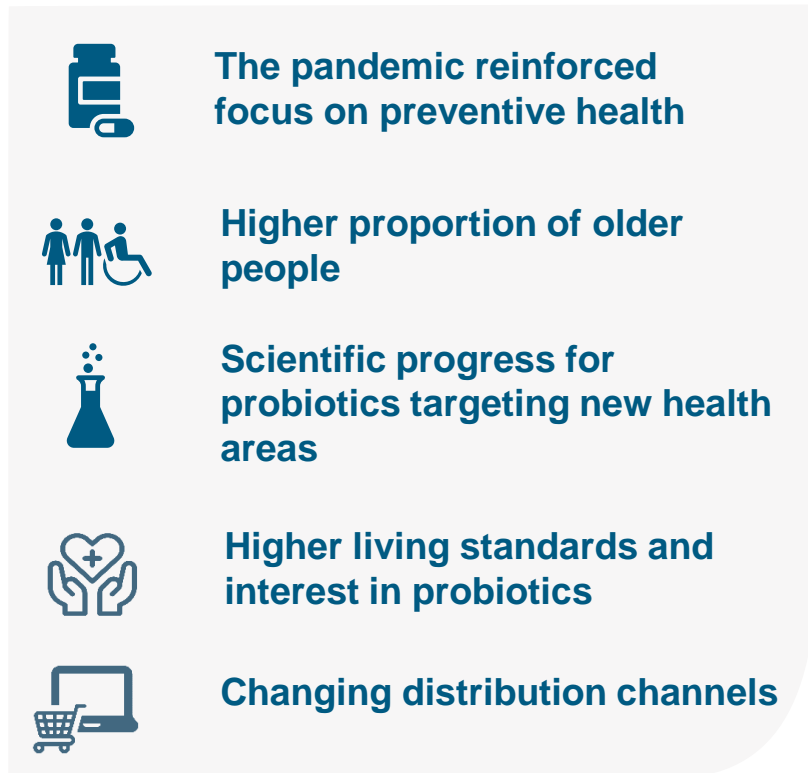


>400 patents



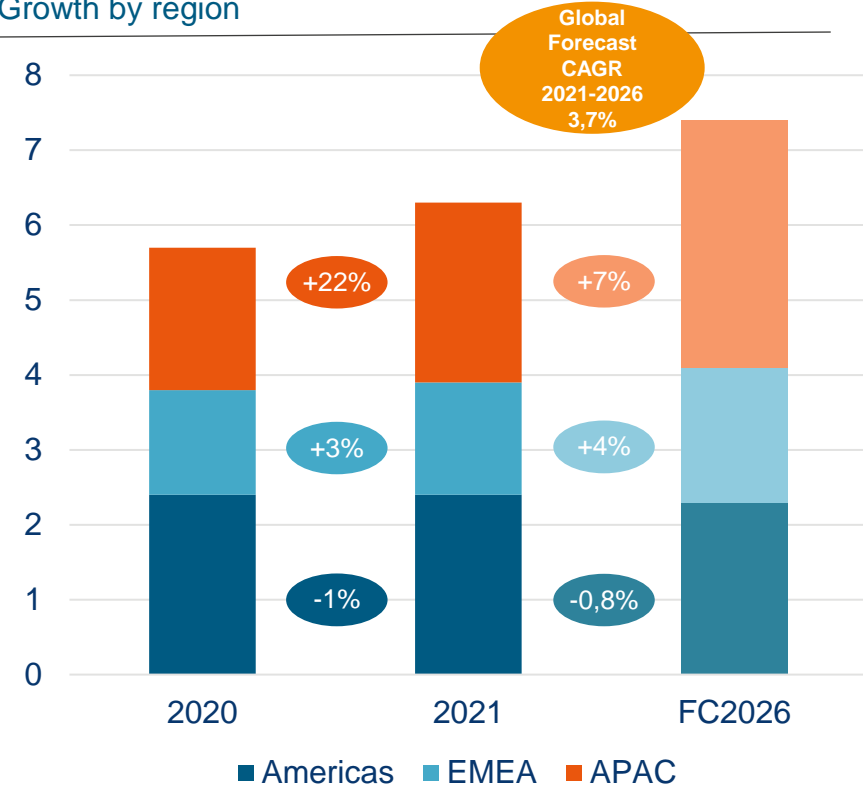
Trends driving the probiotics market

Trends impacting probiotic demand



Probiotics – Supplements


Growth by region





* Source: Global Probiotic Supplements, retail value – Euromonitor 2021



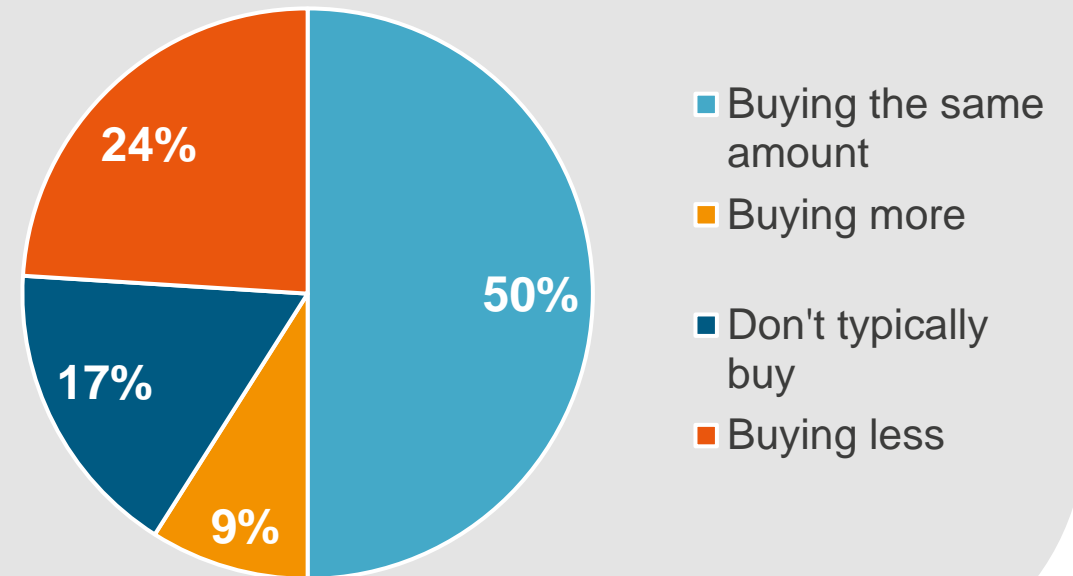
Inflation and consumer spending on Health Supplements

 **61%** of consumers report feeling pressure or stress due to inflation and the rising cost of goods

 **61%** of consumers report changing their grocery shopping behavior due to inflation

 **37%** of consumers report they are worse off financially than one year ago

Anticipated changes in shopping behavior of vitamins and supplements (US data)

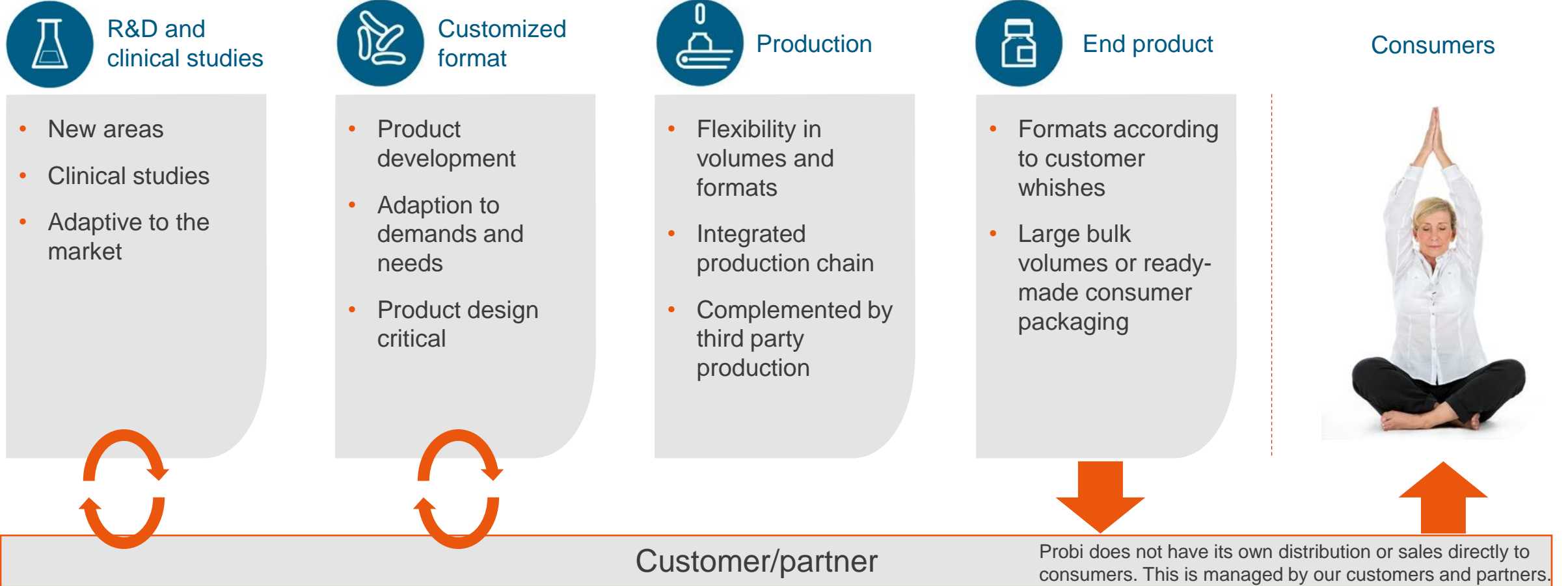


Source: *Nutrition Business Journal* Consumer Survey, powered by the Suzy survey platform
N= 1035 collected week of July 18, 2022

Our vision is to improve the health and well-being of people around the world



Our B2B business model



Comprehensive portfolio

Probi has one of the market's most comprehensive portfolios of probiotic products



Clinically proven and patented health concepts



Safe probiotics for use in customer applications

- Digestive health
- Immune health
- Bone health
- Iron absorption
- Women's health
- Senior health
- Children's health

Dietary supplements



Food & beverages



Global business with strong footprint in Americas

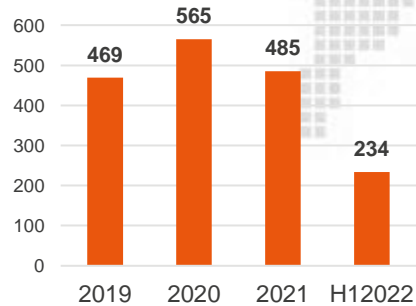
71%
of Net sales

20%
of Net sales

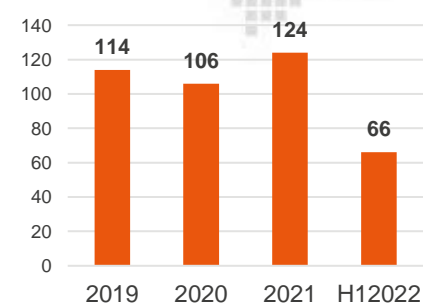
9%
of Net sales

Net sales
SEK m

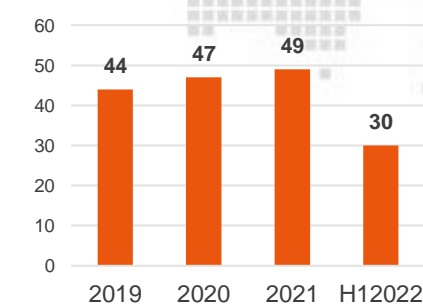
Americas



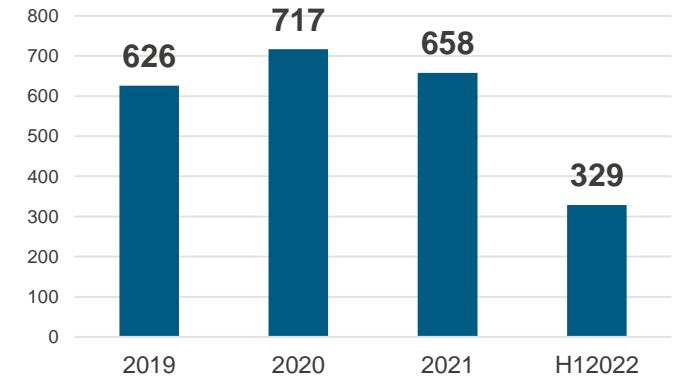
EMEA




APAC



Total Net Sales



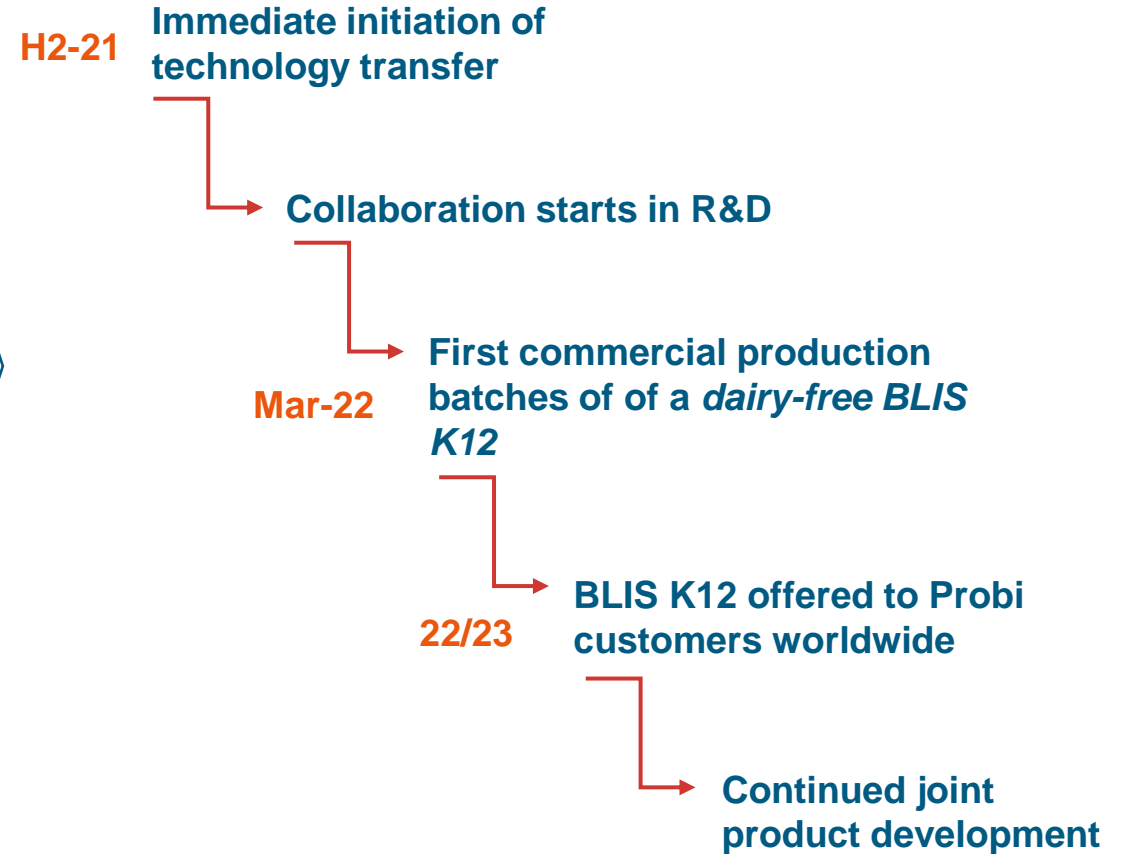
Partnerships important to strengthen our product portfolio



- New Zealand company listed on NZX
- Bacterial strains in the areas of ear, nose, throat and oral health
- Investment by Probi in 2021, ownership of 13%

Benefits

- ✓ Broaden portfolio
- ✓ Licensing and distribution agreement
- ✓ Utilize free production capacity
- ✓ Collaboration in R&D and product development



A research-driven company

- 20 inhouse R&D experts
- >400 patents
- 43 new patents approved 2021
- 11 published clinical studies last five years
- 6% of net sales invested in R&D 2021 (40 SEK m)
- Several academic and industrial partnerships

Main focus areas for R&D



Gastrointestinal



Iron absorption



Immune systems



Women's health



Bone health



Stress & mental health



Exciting R&D pipeline

Existing health areas

- *Gut health – human clinical trial - China*
- *Bone health – human clinical trial - Australia*

New health areas

- *Gut brain: Mood, stress & sleep*
- *Vaginal health*
- *Metabolic health*

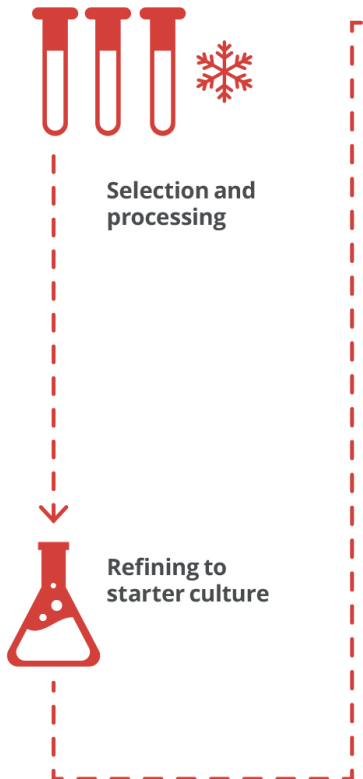
New products

- *Sporeforming probiotics*
- *Synbiotic*
- *Blis collaboration*

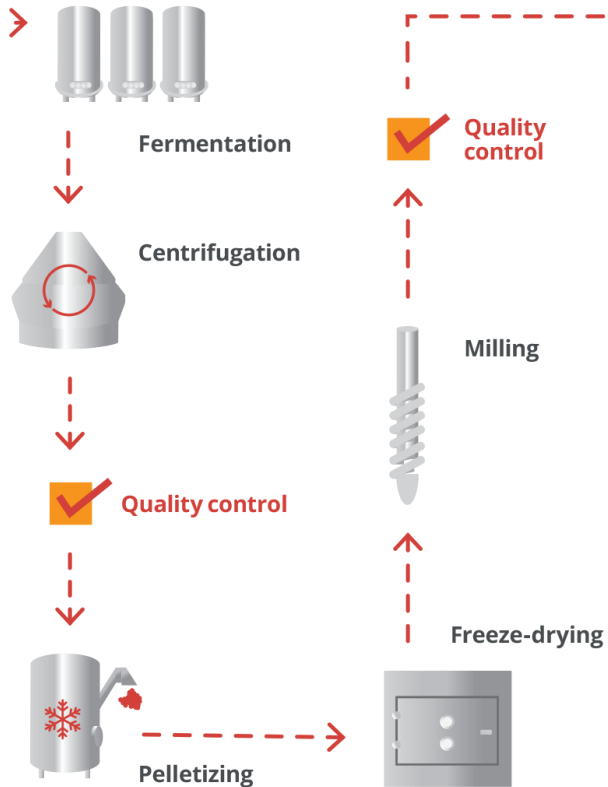


Fully integrated inhouse production a competitive advantage

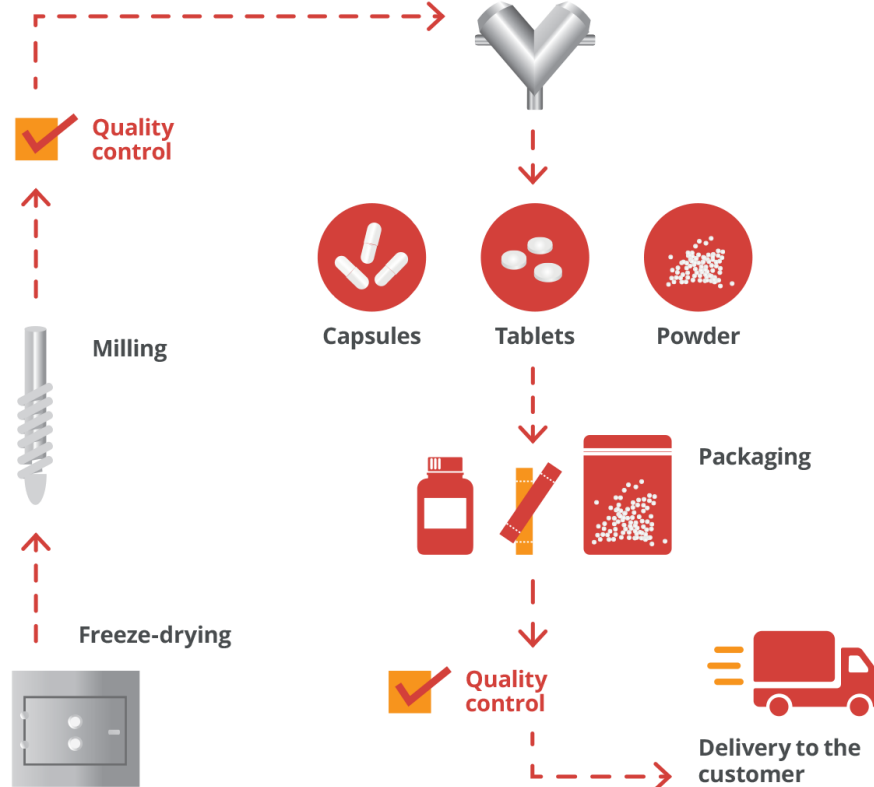
1. Selection and refinement of probiotic strains



2. Production of bacteria



3. Mixing and packaging products



Redmond, Washington
Probiotic fermentation and freeze-drying of probiotic cultures

Lafayette, Colorado
Processing of bulk powder, mixing and production of – consumer-ready end products.

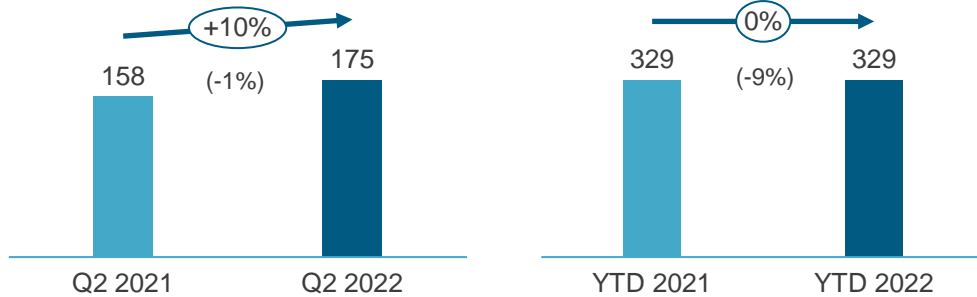


FX contribute to good growth in the second quarter 2022

Net sales

SEK m, sales growth in % (constant currency growth)

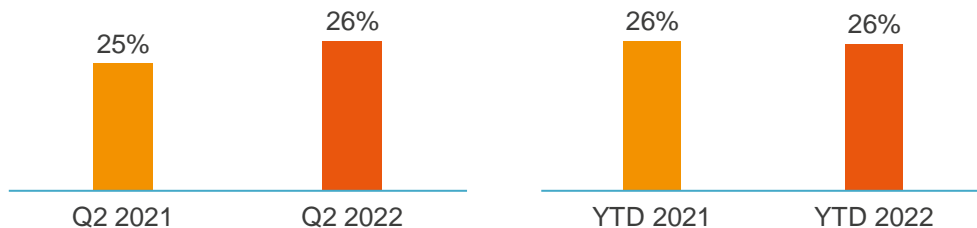
Target
> 7 %



EBITDA %

EBITDA margin as % of Net sales

Target
≥ 29 %



Highlights in the quarter

- Net sales increased by 10% in Q2, on par with last year in H1
- Improved EBITDA margin in Q2 supported by increased gross margin in Americas
- EBITDA margin YTD 26% on par with previous year

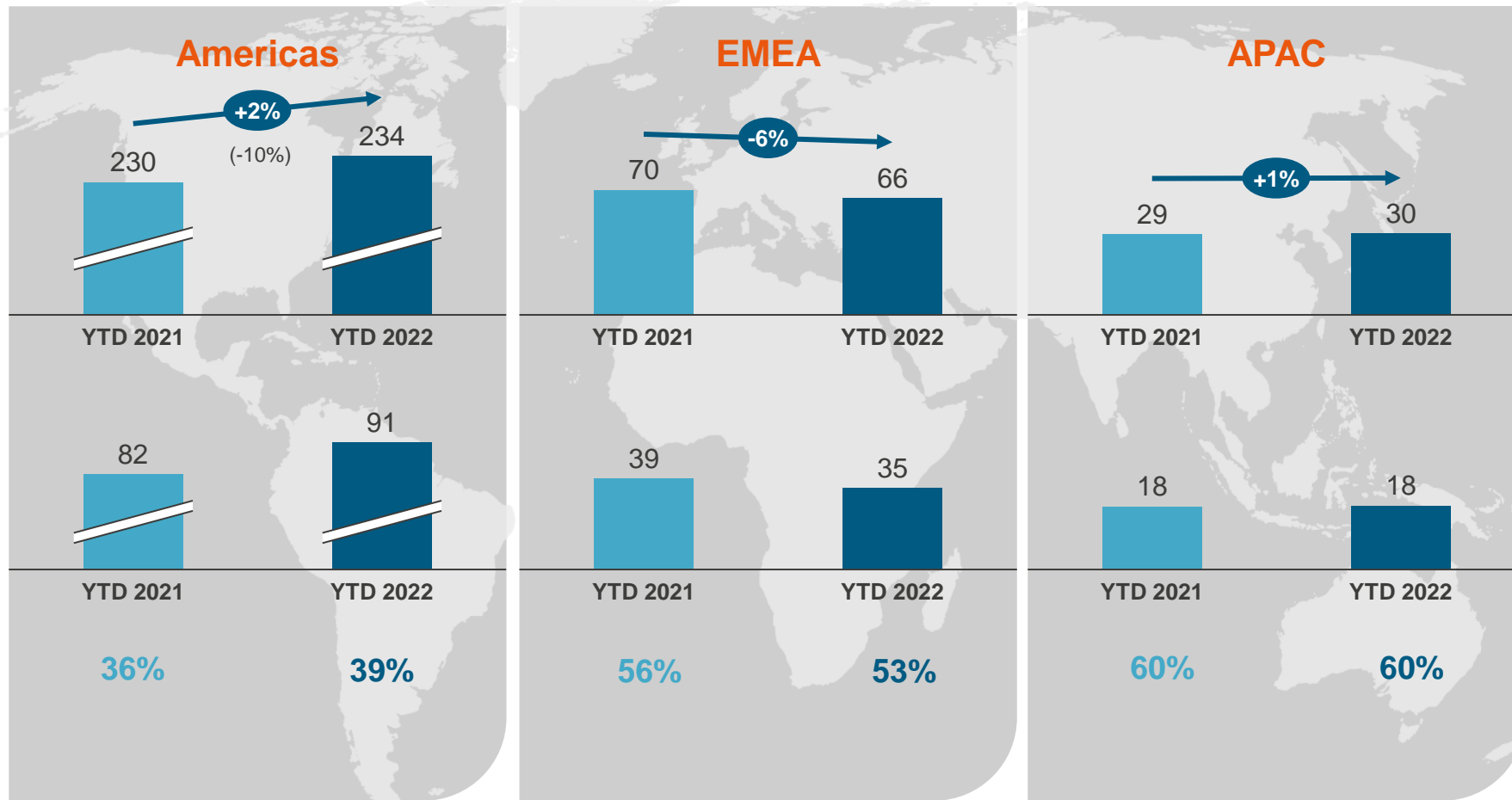


YTD Net Sales and Gross Profit by region

Net sales
SEK m sales
growth in %
(constant currency
growth)

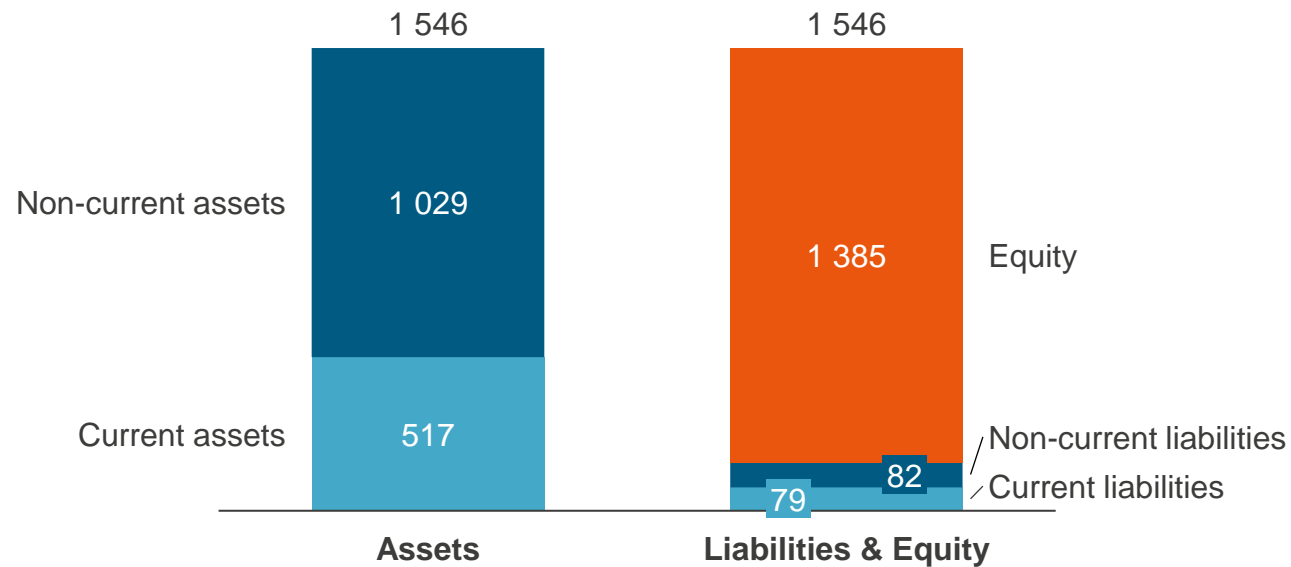
Gross profit
SEK m

Gross margin



Solid balance sheet with no external loans

Balance sheet as per June 30, 2022
SEK m



Key aspects

- Total equity of SEK 1 385 m
- No external loans
- Equity ratio 90%



Probi is a long-term, sustainable investment

*Probi contribute to a healthier
life and planet*



*Increased
demand for
probiotics*



*Strong focus
on growth*



*World-class
research and
development*



*Own efficient
production*



Q&A

