



Q2 2021 Conference Call

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Agenda

1 Executive Overview

2 Financial Review

3 Outlook

4 Q&A

Probi enters new strategic partnerships

- Net sales decreased by 12% (-3% currency adjusted) in Q2 and by 3% (+8% currency adjusted) in H1
- EBITDA margin 25% in Q2 (32%) and 26% (26%) in H1
- Weak quarter in Americas (-17 %, -5% currency adjusted) mainly resulting from customer dynamics
- Another strong quarter in EMEA with sales in parity with record high first quarter supported by Perrigo launch
- New partnership with Oriflame and first order received
- New important customer in South Korea contracted
- New research partnership with Estonian Tervisetehnoloogiate Arenduskeskus AS (CCHT) with focus on vaginal health

Post quarter

- Investment in Blis Technologies Ltd combined with long-term partnership

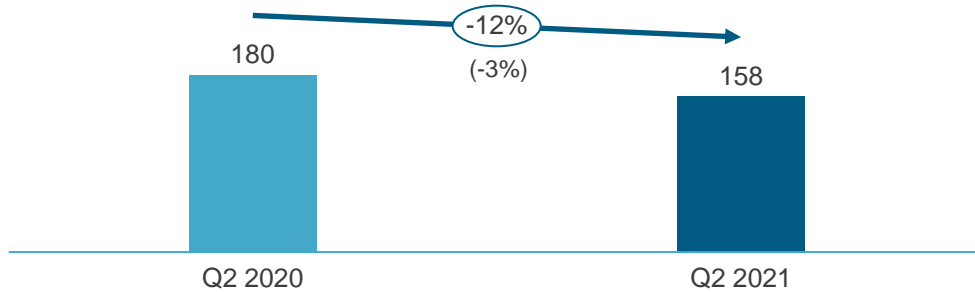


Lower sales volumes in US affect profitability in Q2

Net sales

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

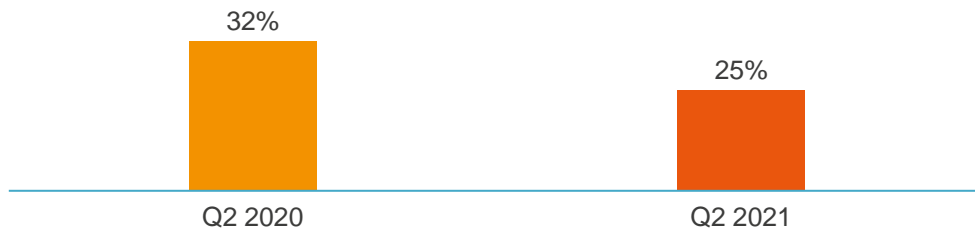
Target
> 7 %



EBITDA %

EBITDA margin as % of Group net sales

Target
≥ 29 %



Highlights in the quarter

- Net sales (currency adjusted) decline by 3%
- Profitability lower due to lower sales volume and unfavorable product mix
- Increased activities in Sales & Marketing and R&D - OpEx slightly higher than previous year

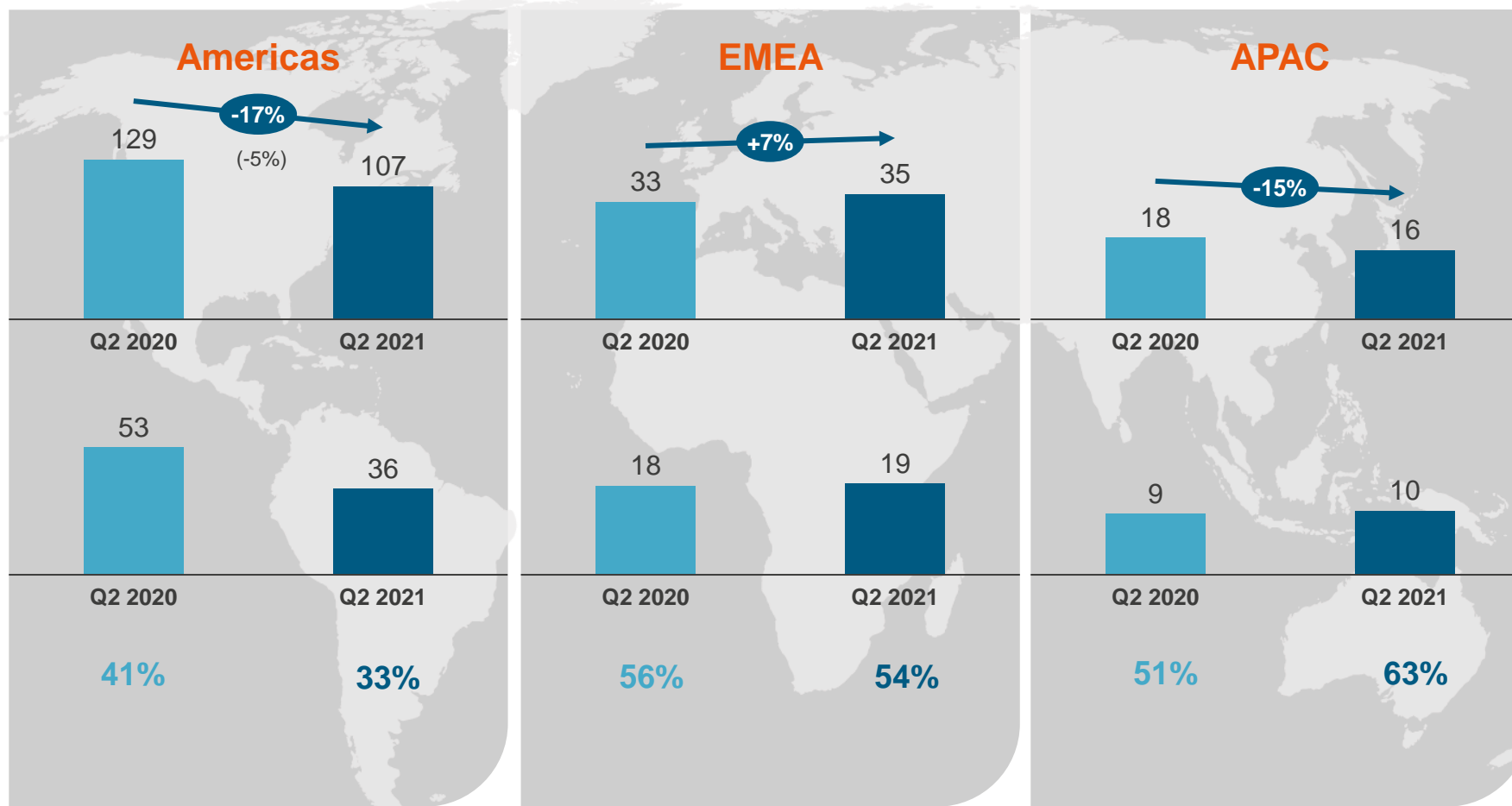


Net Sales and Gross Profit by region

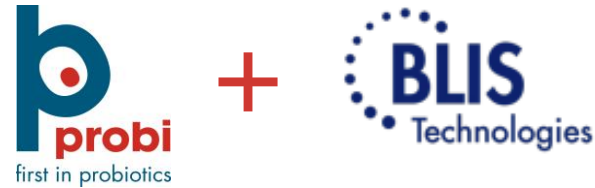
Net sales
SEK m sales
growth in %
(constant currency
growth)

Gross profit
SEK m

Gross margin



Investment and partnership with Blis Technologies



The investment and partnership in brief

- Distribution and licensing agreement
 - ✓ Right to manufacture and sell BLIS K12™, BLIS M18™ as ingredients and finished products
- R&D collaboration
- Investment of 9 MNZD in new share issue (~56 MSEK)
- Probi 2nd largest shareholder in Blis, 13% holding
- Board representation

Broader portfolio and leveraging Probi production

- Broaden portfolio of clinically validated products
- Leverage on production capacity
- R&D collaboration on new product opportunities
- Strong partner in APAC
- Opportunities for margin expansion



Blis Technologies in brief



- New Zealand listed company (M.Cap ~550 MSEK) with clinically proven probiotics portfolio within ENT (Ears, Nose, Throat) and oral health
- Long history of R&D and a proprietary portfolio of strains (BLIS K12™, BLIS M18™)
- Business model: Own products (BLIS®) with D2C and white label sales by B2B
- Group net sales of 10,6 MNZD (~64 MSEK), 2020
- EBITDA margin 20%, 2020



BLIS K12™ has a positive impact on ENT health, the immune system and is also effective in improving bad breath (halitosis)



BLIS M18™ promotes the healthy bacterial balance for dental oral health

New skincare range to be launched in early FY22 utilizing BLIS Q24™ which works with a range of skin types to re-balance the skin's microbiome.





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1 Executive Overview

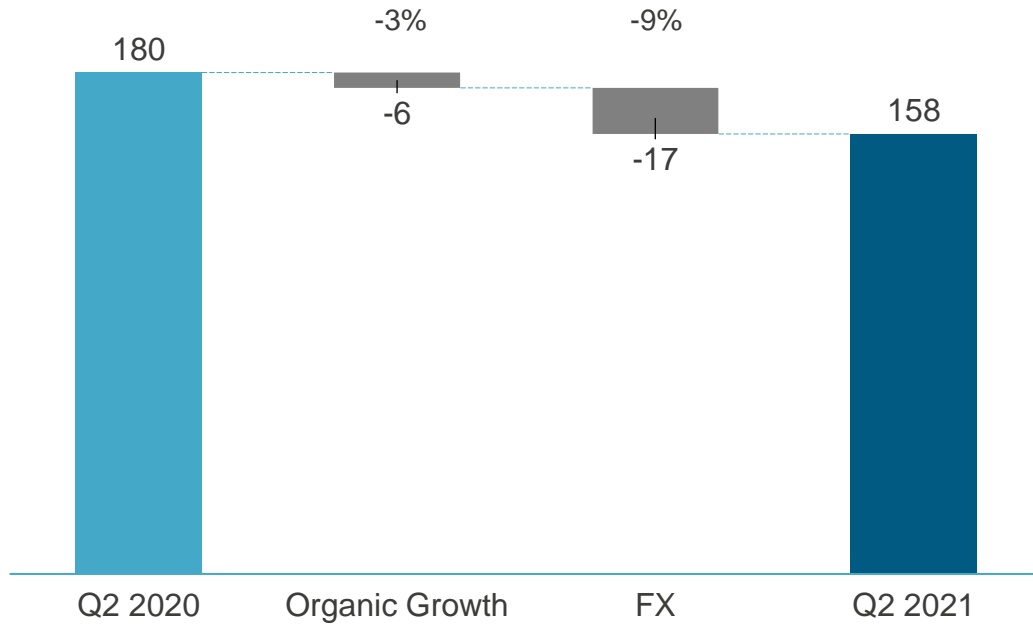
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Significant FX impact on sales in the quarter

Probi sales bridge
SEK m, sales in %



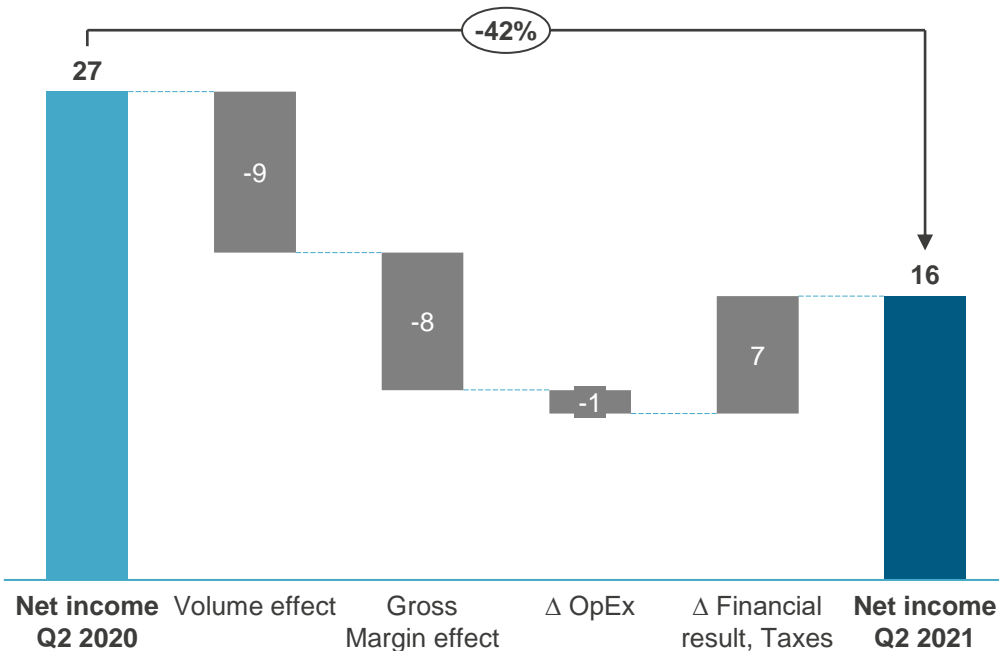
Condensed P&L
SEK m

	Q2 2021	Q2 2020	Change
Net sales	158.0	180.0	▼ -12%
EBITDA	39.0	58.1	▼ -33%
EBITDA margin	24.7%	32.3%	▼ -7.6pp
EBIT	21.1	38.9	▼ -46%
Net income	15.8	27.0	▼ -42%
EPS	1.39	2.37	▼ -42%



Net income affected by lower sales volumes and gross margin

Reconciliation of net income SEK m



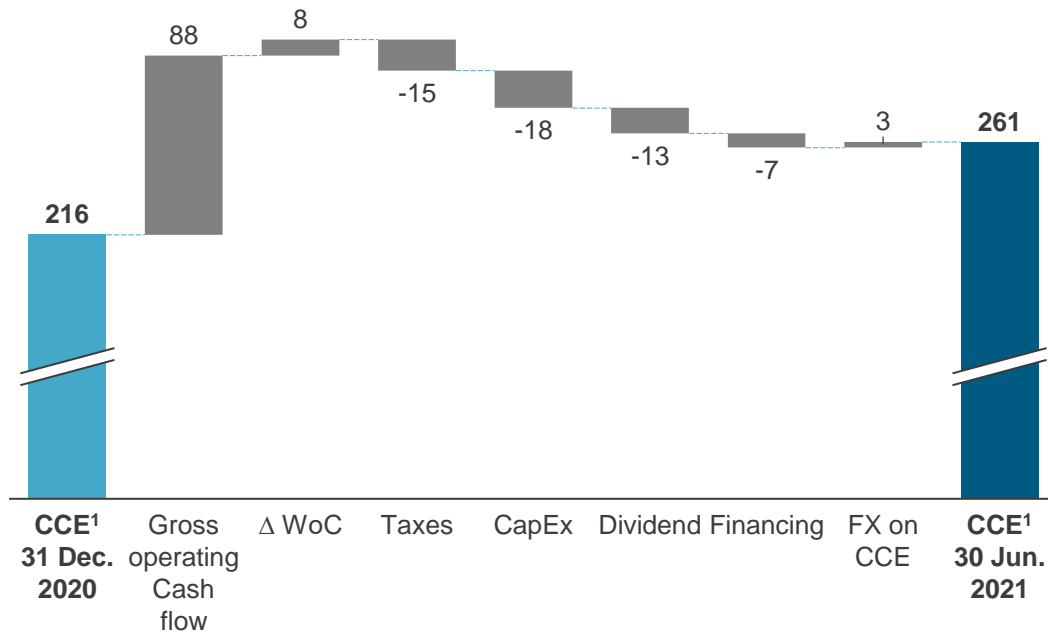
Key aspects

- Net income decreased by SEK 11 m (-41%) compared to previous year
- Lower sales volumes and gross margin together with unfavorable FX reduces the contribution to net income
- Slightly higher OpEx driven by more customer activities and R&D projects
- Comparing period contained negative financial FX effect of SEK 3 m
- Decreased income tax based on lower result



Continued strong cash generation

Reconciliation of group liquidity SEK m



Key aspects

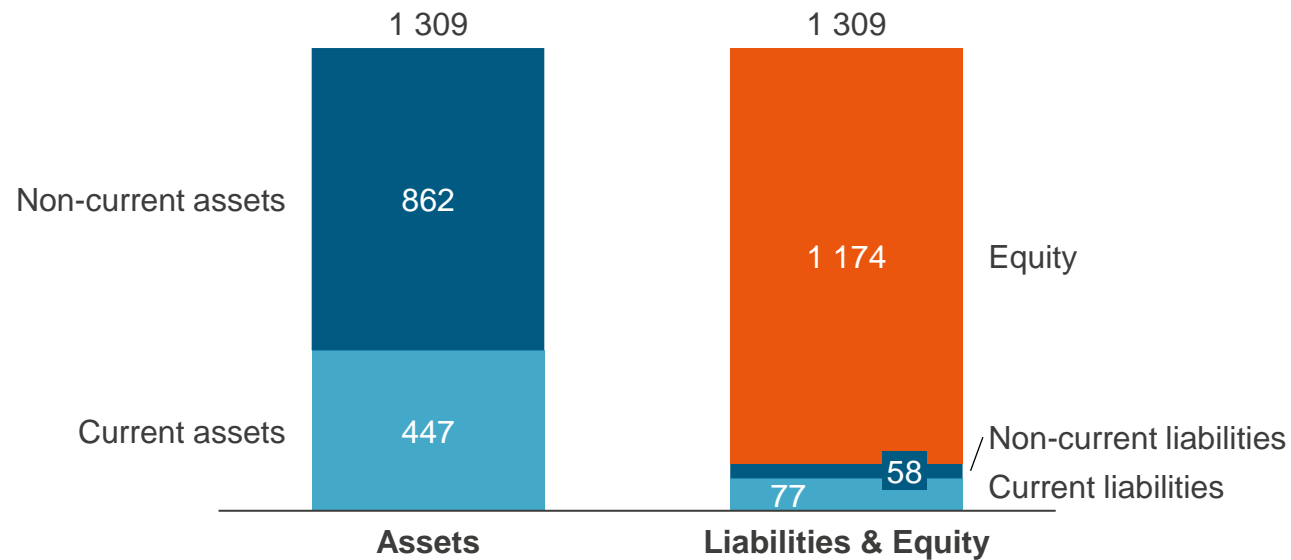
- Gross operating cash flow of SEK 88 m reflects robust business model
- Limited movements in Working Capital
- Capex mainly related to manufacturing upgrade program
- Financing includes payments of lease obligations
- Positive FX effect on cash compared to year-end 2020



¹ CCE = Cash and cash equivalents.

Solid balance sheet with no external loans

Balance sheet as per June 30, 2021
SEK m



Key aspects

- Total equity of SEK 1 174 m
- No external loans
- Equity ratio 90%





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Strategic focus

Doubled sales



Growth

- Stronger presence in growth markets
- Solidify position in premium probiotic segments
- Expand global key account portfolio
- Strategic partnerships and acquisitions

Lead the way in probiotic innovation and science



Accelerate development of new products

- Expand range of clinically documented offerings
- Increase international collaborations
- Evaluate growth potential in probiotic related market segments

Manufacturing excellence



More efficient manufacturing

- High quality production adapted to market needs
- Develop manufacturing capabilities/partnerships in growth regions
- Gradually improved gross margins





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Financial calendar

Interim report Q3 2021:
Year-end report 2021:

October 22, 2021
February 2, 2022

