

Interim report July-September 2023

New strategic focus and improved sales trend

Important events during the third quarter

- Net sales increased by 8% (6% adjusted for currency effects) to SEK 156 m (145).
- The EBITDA margin amounted to 18% (25) or 20% adjusted for items affecting comparability.
- New strategic focus areas and financial targets.
- New clinical study in metabolic health shows clear benefits with Probi's bacterial strains, which opens up a new health area.
- Third clinical trial of HEAL9™ published, strengthens evidence of improved cognitive performance.

SEK

156 m

Net sales

18%

EBITDA-margin

Important events after the end of the period

- Launch of Probi® Sensia, a new concept in mental health based on HEAL9™.
- Per Lindblad will take over as new CFO on November 1, after Henrik Lundkvist announced his resignation in July.

Financial overview

SEK m	Jul-Sep		Jan-Sep		Full-year	
	2023	2022	2023	2022	RTM	2022
Net sales	156.0	145.1	471.6	474.3	615.5	618.3
Growth, %	7.6%	-8.7%	-0.6%	-2.8%	-0.4%	-6.1%
Currency adjusted growth, %	5.9%	-22.1%	-5.4%	-13.2%	-7.3%	-16.7%
Gross margin, %	32.8%	40.6%	36.3%	42.7%	36.4%	41.3%
EBITDA	28.2	36.3	88.4	120.5	104.1	136.3
EBITDA margin, %	18.1%	25.0%	18.7%	25.4%	16.9%	22.0%
Operating profit (EBIT)	4.0	14.5	16.6	58.2	9.0	50.6
EBIT margin, %	2.6%	10.0%	3.5%	12.3%	1.5%	8.2%
Net income	6.4	12.4	19.4	46.4	13.7	40.6
Earnings per share before and after dilution, SEK	0.56	1.09	1.70	4.07	1.20	3.57

See note 5 for definitions of ratios not defined according to IFRS

This information is information that Probi AB is obliged to make public pursuant to the EU Market Abuse. The information was submitted for publication, through the agency of the CEO and CFO, on October 24, 2023 at 08:00 CET. This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails.



Strong confidence with new business plan and new financial targets

The overall sales development in Q3 improved with a growth of 8% (6% adjusted for currency effects) while the EBITDA margin was 18%. All regions showed growth compared to the previous year. For the nine-month period, net sales were on par with last year. Profitability was affected by one-off effects linked to e.g. the remediation program in manufacturing and recruitment costs for strategic positions. Adjusted for this, profitability was 20% for the period. Our previous assessment of the full year results remains for both sales and profitability.

By region, EMEA reported growth in the quarter driven by a positive performance of the BTC business in the Swedish market. APAC also performed well, with growth primarily coming from the Chinese market. The development in the Americas was stable, which is positive considering that we have experienced some caution in the American market for some time.

After intensive work on evaluating our strategy, we can now present an updated strategy "*Probi Reinforced*" and new financial targets. We aim to achieve sustainable and profitable growth by striving for excellence in four key strategic focus areas.

The first strategic focus is *Commercial Execution & Customer Centricity*. By improving our customers' experience and extending our internal customer understanding, we will work to expand our global base of key account customers, grow our position on our science-based products, and focus on Tier 1 markets.

The second focus is *Pioneering Science & Innovation*. We will continue being first in probiotics by ensuring a continuous rate of market-relevant innovations, enhanced speed to market, and by expanding our range of clinically documented offerings.

The third focus, *Providing Differentiated Quality Solutions*, refers to the competitive edge of delivering products through the entire value chain, from concentrated

probiotic ingredients to finished consumer product. We will focus on long-term improvement of the gross margins by optimizing our internal manufacturing processes and through supply chain effectiveness.

The fourth focus, and a foundation for successful implementation of the strategy is *People with a Shared Purpose and Passion for Probiotics*. We are aiming for a healthy, thriving organization driven by our shared goal to provide probiotics for healthier lives and a healthier planet.

We have set ambitious new financial targets and aim to achieve a CAGR of 6% over the next five years and gradually increase the profitability to, or over, 25% EBITDA by 2028. By region we estimate that APAC will have the highest percentage growth, followed by EMEA. The growth is expected to come from new products and innovations and from current, as well as new customers.

We have noticed a certain stabilization in the market and increased interest from customers. Meanwhile, we have more work to do to optimize our manufacturing and gain efficiencies. Our sales cycles are long as well, and the process from a new concept launch to revenue can take months and sometimes years. Therefore, 2024 will be a transitional year with modest expectations on increased growth and profitability.

I have spent a lot of time meeting our organization and our customers in recent months, and I am today more convinced than ever that Probi is a credible and committed partner that offers exceptional products providing significant and relevant benefits to many people. Clarity in our purpose, strategy and direction will help us come back to growth and we will continue to be First in Probiotics.

Anita Johansen
CEO



Net sales

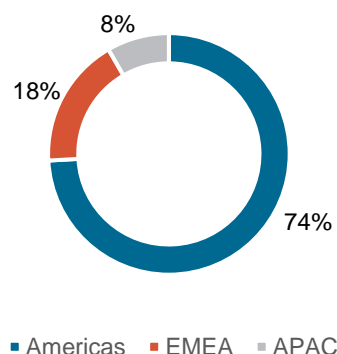
July – September (third quarter)

During Q3, net sales amounted to SEK 156.0 m (145.1) corresponding to an increase of SEK 10.9 m or 8%. Adjusted for currency effects, net sales amounted to SEK 153.6 m, corresponding to an increase of 6%.

The increase of SEK 10.9 m is explained by higher sales in the Americas, which increased by SEK 3.2 m (3%), EMEA which increased by SEK 5.0 m (22%) and APAC which increased by SEK 2.8 m (27%).

The share of total net sales in the Americas during Q3 was 74%. EMEA accounted for 18% and APAC 8%.

Net sales distribution per segment



January – September (nine months)

Net sales amounted to SEK 471.6 m (474.3), which is a decrease of 1%. Adjusted for currency effects, this corresponded to a decrease of 5%. The decrease is mainly explained by the fact that sales in EMEA were SEK 18.3 m (-21%) lower than the previous year as a result of a weaker underlying market, and at the same time as a major customer postponed its orders due to the reduction of its buffer stock. The Americas region increased by SEK 4.8 m (1%), but adjusted for currency effects, the region decreased by 5% due to a weaker market. Sales in APAC increased by SEK 10.8 m (27%).

Net sales per segment

SEK m	Jul-Sep			Jan-Sep		
	2023	2022	Change, %	2023	2022	Change, %
Americas	115.7	112.5	2.8%	351.2	346.4	1.4%
EMEA	27.4	22.4	22.3%	69.7	88.0	-20.8%
APAC	13.0	10.2	27.5%	50.7	39.9	27.1%
Net sales	156.0	145.1	7.5%	471.6	474.3	-0.6%



Earnings

Operating profit/loss (EBIT)

The operating profit for Q3 amounted to SEK 4.0 m (14.5), corresponding to a decrease of SEK 10.5 m. Adjusted for currency effects, the operating profit was SEK 4.2 m. The reduced operating profit was due to a lower gross margin together with higher sales costs.

Sales and marketing costs amounted to SEK 25.8 m (23.7), where the increase is explained by increased customer activities and increased marketing expenses to support the Swedish BTC business.

Research and development expenses were slightly higher than last year and amounted to SEK 7.7 m (6.9).

Administration expenses were at the same level as last year and amounted to SEK 13.8 m (13.8).

Operating profit/loss

SEK m	Jul-Sep			Jan-Sep		
	2023	2022	Change, %	2023	2022	Change, %
Gross profit Americas	27.3	40.6	-32.8%	100.7	131.6	-23.5%
Gross profit EMEA	16.9	12.2	38.5%	39.5	47.1	-16.1%
Gross profit APAC	6.9	6.0	15.0%	30.7	23.8	29.0%
Gross profit	51.2	58.9	-13.1%	171.0	202.5	-15.6%
Sales and marketing expenses	-25.8	-23.7	8.9%	-85.7	-73.8	16.1%
Research and development expenses	-7.7	-6.9	11.6%	-27.0	-26.5	1.9%
Administration expenses	-13.8	-13.8	0.0%	-41.6	-44.2	-5.9%
Other operating income	0.0	0.1	0.0%	0.0	0.2	-100.0%
Operating profit (EBIT)	4.0	14.5	-72.4%	16.6	58.2	-71.5%

Financial result

The financial result for Q3 amounted to SEK 2.1 m (0.9). Net financial items excluding exchange rate results amounted to SEK 1.7 m (-0.1) and consisted mainly of interest on bank balances and leasing contracts. The exchange rate result amounted to SEK 0.4 m (1.0) in Q3 and refers to the translation of cash and cash equivalents into foreign currency.

Profit/loss for the period

The period's profit for the quarter amounted to SEK 6.4 m (12.4). Tax for the period amounted to SEK 0.3 m (-3.0).

Earnings per share

Earnings per share for Q3 amounted to SEK 0.56 (1.09).



Operating segments

Probi's operating segments are based on a geographical division and consist of the Americas (North and South America), EMEA (Europe, the Middle East and Africa) and APAC (Asia and the Pacific).

Americas

Net sales in the Americas increased by 3% and amounted to SEK 116 m. Adjusted for currency effects, net sales amounted to SEK 113 m, corresponding to an increase of 1% in the quarter.

Despite a challenging underlying market, the performance in the region was relatively stable with a steady order intake.

The region's sales organization was strengthened during Q3, which is expected to lead to positive effects in future development.

The gross margin for Q3 was 24% (36) and was in line with the previous quarter as a result of inefficiencies in the manufacturing process.

SEK m	Jul-Sep			Jan-Sep		
	2023	2022	Change, %	2023	2022	Change, %
Net Sales	115.7	112.5	2.8%	351.2	346.4	1.4%
Cost of goods sold	-88.4	-72.0	22.8%	-250.4	-214.8	16.6%
Gross profit	27.3	40.6	-32.8%	100.7	131.6	-23.5%
Gross margin	23.6%	36.1%	-12.5 ppt	28.7%	38.0%	-9.3 ppt

EMEA

Net sales in EMEA increased by 22% in Q3 to SEK 27 m compared to SEK 22 m last year.

The increased sales in the quarter mainly come from a positive development of the BTC business on the Swedish market, as a result of the company's takeover of the distribution of the Probi® brand and increased investments in marketing and

communication. The market share for Probi® in Sweden has increased since taking over distribution.

The gross margin for Q3 was 62% (55) and is explained by a favorable product mix.

SEK m	Jul-Sep			Jan-Sep		
	2023	2022	Change, %	2023	2022	Change, %
Net Sales	27.4	22.4	22.3%	69.7	88.0	-20.8%
Cost of goods sold	-10.4	-10.2	2.0%	-30.2	-40.9	-26.2%
Gross profit	16.9	12.2	38.5%	39.5	47.1	-16.1%
Gross margin	61.7%	54.5%	7.2 ppt	56.7%	53.5%	3.2 ppt



APAC

Net sales in APAC developed well and increased by 27% to SEK 13 m. The increase is mainly explained by the continued strong development in the Chinese market.

The region is expected to continue to be characterized by growth and is judged to be the

relatively strongest growing region in future. However, the performance will continue to be characterized by fluctuations between the quarters.

The gross margin in Q3 was 53% (59). The decrease was due to an unfavorable product mix.

SEK m	Jul-Sep			Jan-Sep		
	2023	2022	Change, %	2023	2022	Change, %
Net Sales	13.0	10.2	27.5%	50.7	39.9	27.1%
Cost of goods sold	-6.1	-4.2	45.2%	-20.0	-16.1	24.2%
Gross profit	6.9	6.0	15.0%	30.7	23.8	29.0%
Gross margin	52.8%	58.8%	-6.0 ppt	60.6%	59.6%	1.0 ppt

Cash flow and cash and cash equivalents

Cash flow from operating activities before changes in working capital decreased to SEK 28.8 m (38.0) in Q3 as a result of a lower operating profit.

Working capital increased slightly during Q3 as a result of higher accounts receivable and the cash flow from operating activities amounted to SEK 16.9 m (72.7).

Cash flow from investment activities amounted to SEK -13.1 (-14.1) and mainly consisted of investments in intangible and tangible fixed assets.

Cash flow from financing activities was SEK -4.1 (-3.9), and mainly consisted of amortization of leasing liabilities.

The period's cash flow was SEK -0.3 m (54.7) and cash and cash equivalents amounted to SEK 300.8 m (328.1).

Investments

During Q3, investments in intangible fixed assets amounted to SEK 6.0 m (3.5), of which SEK 1.3 m (1.1) related to patents, SEK 1.4 m (0.5) to capitalized development expenses and SEK 3.3 m (1.9) to IT systems. Investments in tangible fixed assets amounted to SEK 7.2 m (10.5), which mainly related to investments in the manufacturing unit at Redmond.

Employees

At the end of the period, Probi had 168 (165) employees, of which 51% (52) were women. The average number of employees during Q3 amounted to 162 (170).



Transactions with related parties

During Q3, Probi reported SEK 3.7 m (1.9) in revenue from its largest shareholder, Symrise, and costs amounted to SEK 0.0 m (0.0). No other transactions with related parties occurred during the reporting period.

Significant risks and uncertainties

In February 2022, Russia launched an invasion of Ukraine. Probi has a limited exposure to Russia and Ukraine, and the company's assessment is that the effects at both supplier and customer levels are limited. The cost increases that have arisen in connection with increased inflation are mainly compensated by price increases to the customer. However, there may be a delayed effect until the price increases take full effect depending on the agreed terms. Other risks and uncertainties to which Probi's operations are exposed are described on pages 48-49 of the annual report for 2022.

Parent company

During Q3, the parent company's operating income amounted to SEK 62.8 m (79.6). The profit for the period was SEK 2.2 m (51.3) and the decrease was due to a lower operating profit and a lower financial result due to lower dividends from the subsidiaries. For further details, please see the information for the Group.

Financial calendar

Year-end report 2023	January 26, 2024
Interim report Q1 2024	April 23, 2024
Annual General Meeting 2024	May 7, 2024
Interim report Q2 2024	July 16, 2024
Interim report Q3 2024	October 22, 2024
Year-end report 2024	January 28, 2025

Invitation to teleconference

Probi's interim report for Q3 2023 was published on October 24, 2023, at 8:00 a.m. On the same day at 10:00 a.m., a teleconference is held with Anita Johansen, CEO and Henrik Lundkvist, CFO, who will present the report. The telephone conference can be accessed via the link <https://conference.financialhearings.com/teleconference/?id=5001162>. The presentation is available at www.probi.com and www.financialhearings.com.

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Assurance by the Board of Directors

The Board of Directors and CEO declare that this interim report provides a true and fair overview of the parent company's and Group's operations, financial position and results, and describes the significant risks and uncertainties facing the parent company and the Group.

Lund, October 24, 2023

Jean-Yves Parisot
Chairman of the Board

Jörn Andreas
Board member

Irène Corthésy Malnoë
Board member

Charlotte Hansson
Board member

Malin Ruijsenaars
Board member

Anita Johansen
CEO

This interim report has not been subject to review by the company's auditors.



Consolidated statement of comprehensive income

SEK 000	Notes	Jul-Sep		Jan-Sep	
		2023	2022	2023	2022
Net sales	2	156,030	145,075	471,566	474,303
Cost of goods sold	3	-104,801	-86,223	-300,613	-271,847
Gross profit		51,229	58,852	170,953	202,456
Sales and marketing expenses		-25,849	-23,689	-85,713	-73,821
Research and development expenses		-7,654	-6,941	-27,050	-26,499
Administration expenses		-13,768	-13,831	-41,587	-44,194
Other operating income		31	73	5	249
Operating profit (EBIT)		3,989	14,464	16,608	58,191
Financial income		2,248	515	5,519	627
Financial expenses		-503	-634	-1,564	-1,897
Exchange result financing activities	4	362	1,002	989	1,665
Financial result		2,107	883	4,944	395
Earnings before income taxes		6,096	15,347	21,552	58,586
Income taxes		299	-2,982	-2,143	-12,231
Net income		6,395	12,365	19,409	46,355
Other comprehensive income					
Components to be reclassified to net income					
Exchange rate differences resulting from the translation of foreign operations		-928	87,554	38,500	206,392
Cash flow hedge (currency hedges)		—	-238	—	0
Income taxes payable on these components		—	59	—	0
Total components to be reclassified to net income		-928	87,375	38,500	206,392
Components not to be reclassified to net income					
Equity instruments at fair value through OCI		-1,362	4,207	-2,489	-14,356
Total components not to be reclassified to net income		-1,362	4,207	-2,489	-14,356
Sum of other comprehensive income		-2,290	91,582	36,011	192,036
Total comprehensive income		4,105	103,947	55,420	238,391
Number of outstanding shares at end of the reporting period		11,394,125	11,394,125	11,394,125	11,394,125
Average number of shares		11,394,125	11,394,125	11,394,125	11,394,125
Earnings per share before and after dilution		0.56	1.09	1.70	4.07

The period's results as well as comprehensive income is attributable in its entirety to the parent company's shareholders. There is no dilution effect, as the company has no outstanding convertible loans or warrants.



Consolidated statement of financial position

SEK 000	30 September 2023	31 December 2022
ASSETS		
Capitalized development cost	23,850	24,782
Customer base	235,953	248,452
Technology and other intangible assets	101,810	109,251
Goodwill	367,484	353,887
Property, plant and equipment	161,895	146,806
Right-of-use assets	55,943	65,546
Interests in other entities	78,021	80,510
Deferred tax assets	303	357
Non-current assets	1,025,259	1,029,591
Inventories	131,388	116,245
Trade receivables	113,802	89,295
Other assets and receivables	18,356	11,051
Cash and cash equivalents	300,847	323,706
Current assets	564,393	540,297
Total assets	1,589,652	1,569,888
EQUITY AND LIABILITIES		
Total equity	1,451,176	1,410,567
Deferred tax liabilities	3,550	13,833
Provisions	3,550	13,833
Non-current lease liabilities	43,488	53,601
Other non-current liabilities	5,691	5,480
Non-current liabilities	49,179	59,081
Trade payables	30,198	34,424
Current lease liabilities	17,636	16,667
Other current liabilities	37,913	35,316
Current liabilities	85,747	86,407
Total liabilities	138,476	159,321
Total equity and liabilities	1,589,652	1,569,888



Consolidated changes in equity

SEK 000	Share capital	Other contributions received	Cumulative translation differences	Hedging reserve	Fair value reserve	Accumulated profit	Total equity
Opening balance, 1 Jan 2022	58,221	600,205	29,414	—	-7,721	585,422	1,265,541
Net income	—	—	—	—	—	46,355	46,355
Other comprehensive income	—	—	206,392	0	-14,356	—	192,036
Total Comprehensive Income	—	—	206,392	0	-14,356	46,355	238,391
Dividends	—	—	—	—	—	-14,812	-14,812
Total transactions with shareholders	—	—	—	—	—	-14,812	-14,812
Closing balance, 30 Sep 2022	58,221	600,205	235,806	0	-22,077	616,964	1,489,119

SEK 000	Share capital	Other contributions received	Cumulative translation differences	Hedging reserve	Fair value reserve	Accumulated profit	Total equity
Opening balance, 1 Jan 2023	58,221	600,205	169,322	—	-28,412	611,232	1,410,567
Net income	—	—	—	—	—	19,409	19,409
Other comprehensive income	—	—	38,500	—	-2,489	—	36,011
Total Comprehensive Income	—	—	38,500	—	-2,489	19,409	55,420
Dividends	—	—	—	—	—	-14,812	-14,812
Total transactions with shareholders	—	—	—	—	—	-14,812	-14,812
Closing balance, 30 Sep 2023	58,221	600,205	207,822	—	-30,901	615,829	1,451,176



Consolidated cash flow statement

SEK 000	Jul-Sep		Jan-Sep	
	2023	2022	2023	2022
Net income	6,395	12,365	19,409	46,355
Adjustments to reconcile net income to cash from operating activities				
Income taxes	-299	2,981	2,143	12,231
Interest result	-1,745	98	-3,955	1,197
Amortization, depreciation and impairment of non-current assets	24,182	21,861	71,777	62,304
Other non-cash expenses and income	230	662	65	1,643
Cash flow before working capital changes	28,763	37,967	89,439	123,730
Change in trade receivables and other current assets	-14,296	38,014	-27,549	39,999
Change in inventories	7,452	8,027	-10,791	1,596
Change in trade payables and other current liabilities	-244	-8,216	1,424	-19,344
Income taxes paid	-4,728	-3,097	-13,828	-14,862
Cash flow from operating activities	16,947	72,695	38,695	131,119
Payments for investing in intangible assets	-5,972	-3,530	-16,345	-7,699
Payments for investing in property, plant and equipment	-7,164	-10,541	-20,310	-37,401
Divestments of tangible assets	4	0	15	20
Cash flow from investing activities	-13,132	-14,071	-36,640	-45,080
Interest paid	-513	-624	-1,595	-1,853
Interest received	277	214	1,019	224
Repayments for lease obligations	-3,842	-3,501	-11,274	-10,093
Dividends paid	—	—	-14,812	-14,812
Cash flow from financing activities	-4,078	-3,911	-26,662	-26,534
Cash flow for the period	-263	54,713	-24,607	59,505
Effects of changes in exchange rates	-247	7,787	1,748	17,595
Change in cash and cash equivalents	-510	62,500	-22,859	77,100
Cash and cash equivalents at opening balance	301,357	265,617	323,706	251,017
Cash and cash equivalents at closing balance	300,847	328,117	300,847	328,117



Parent company's condensed financial statements

SEK 000	Jul-Sep		Jan-Sep	
	2023	2022	2023	2022
Operating revenue	62,814	62,600	207,598	215,599
Operating costs	-16,756	-14,841	-52,588	-58,500
Gross profit	46,058	47,759	155,010	157,099
Operating profit (EBIT)	16,354	20,445	54,127	60,525
Result from financial income and expenses	1,185	5,489	3,009	37,650
Income before tax	17,539	25,934	57,136	98,175
Net income	13,644	21,435	44,655	85,052

SEK 000	Jul-Sep		Jan-Sep	
	2023	2022	2023	2022
Net income	13,644	21,435	44,655	85,052
Sum of other comprehensive income	—	—	—	—
Total comprehensive income	13,644	21,435	44,655	85,052

SEK 000	30 September 2023	31 December 2022
ASSETS		
Non-current assets	1,037,588	1,042,975
Current assets	319,486	299,369
Total assets	1,357,074	1,342,344
EQUITY AND LIABILITIES		
Equity	1,330,373	1,300,531
Current liabilities	26,701	41,813
Total equity and liabilities	1,357,074	1,342,344



Notes

1. Accounting and valuation principles

The Group

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The condensed financial statements in the interim report are covered on pages 10-17. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided both here and elsewhere in the interim report. The ESMA guidelines on alternative performance measures apply.

The accounting principles applied when these consolidated accounts were prepared have been applied consistently for all periods presented, unless otherwise stated. Complete accounting principles can be found on pages 65-68 of the annual report for 2022.

The parent company's functional currency is Swedish kronor (SEK), which is also the reporting currency for both the parent company and the Group. All amounts stated are rounded to the nearest thousand kronor unless otherwise stated.

Amounts and figures in parentheses refer to comparative figures for the corresponding period of the previous year. Amounts are expressed in Swedish kronor (SEK), thousands (TSEK) or millions (SEK million) according to the unit stated.

Parent company

The parent company applies the same accounting principles as the Group apart from IFRS 16 "Leasing" and with the exceptions and additions that appear in RFR 2 "Accounting for legal entities". The interim report complies with the Annual Accounts Act.

2. Revenue from contracts with customers

A breakdown by category of the Group's net sales from contracts with customers is presented below:

SEK 000	Jul-Sep 2023				Jul-Sep 2022			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Goods	114,116	27,050	13,016	154,182	110,950	21,411	10,231	142,592
Royalty	1,541	307	—	1,848	1,593	990	—	2,583
Net sales	115,657	27,357	13,016	156,030	112,543	22,401	10,231	145,075

SEK 000	Jan-Sep 2023				Jan-Sep 2022			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Goods	346,180	68,073	50,691	464,944	341,511	85,671	39,865	467,047
Royalty	4,988	1,634	—	6,622	4,863	2,293	—	7,156
Net sales	351,168	69,707	50,691	471,566	346,374	87,964	39,865	474,303



3. Currency translation from operating activities

The following table shows the exchange gains and losses from operating activities that are recognized under cost of goods sold:

SEK 000	Jul-Sep		Jan-Sep	
	2023	2022	2023	2022
Exchange gains operating activities	109	1,824	2,790	6,165
Exchange losses operating activities	-1,213	-833	-3,065	-2,763
Exchange result operating activities	-1,104	991	-275	3,402

4. Currency translation from financial activities

The following table shows the exchange gains and losses from financing activities that are recognized in the financial results:

SEK 000	Jul-Sep		Jan-Sep	
	2023	2022	2023	2022
Exchange gains financing activities	870	1,980	2,764	4,090
Exchange losses financing activities	-508	-978	-1,775	-2,425
Exchange result financing activities	362	1,002	989	1,665

5. Definition of alternative performance indicators not defined in IFRS

Probi presents certain financial key performance indicators (KPIs) in the interim report that are not defined according to IFRS. Probi believes that these indicators provide valuable supplementary information to investors and the company's management. Since not all companies calculate alternative KPIs in the same way, these are not always comparable to indicators used by other companies. However, these indicators should not be considered as a substitute for financial indicators required in accordance with IFRS. The following alternative KPIs are reported in the interim report:

Operating profit/loss (EBIT)

The operating profit/loss (EBIT) is defined as the profit/loss before financial income, expenses and tax for the period and is used as a measure of the company's profitability.

SEK 000	Jul-Sep		Jan-Sep	
	2023	2022	2023	2022
Net income	6,395	12,365	19,409	46,355
Income taxes	-299	2,982	2,143	12,231
Financial result	-2,107	-883	-4,944	-395
Operating profit (EBIT)	3,989	14,464	16,608	58,191

EBITDA

EBITDA is defined as the operating profit (EBIT) before depreciation and impairment and is used as a measure of the company's profitability.

SEK 000	Jul-Sep		Jan-Sep	
	2023	2022	2023	2022
Operating profit (EBIT)	3,989	14,464	16,608	58,191
Depreciation and amortization	24,181	21,861	71,776	62,304
EBITDA	28,170	36,325	88,384	120,495



Other alternative KPIs	Definition/ Basis of calculation	Purpose
Gross margin	Defined as gross profit divided by net sales	Used to measure product profitability
EBITDA margin	Defined as EBITDA divided by net sales	Used to measure the company's profitability before depreciation and impairment of tangible and intangible assets
Currency adjusted net sales growth	Defined as net sales for the year translated at the preceding year's exchange rates divided by the preceding year's net sales	Used to measure underlying net sales growth
RTM	Rolling twelve months. Refers to full-year figure for the last four quarters	Gives an indication of development without having to wait for the comparative period next year
Operating margin	Defined as the operating profit divided by net sales	Used to measure the company's profitability

About Probi

Probi® is a global Group that focuses exclusively on research, manufacturing and delivery of probiotics in dietary supplements and food. The company has expertise in managing live bacteria from research through all stages of the manufacturing process and is dedicated to making the health-promoting benefits of probiotics available to people around the world. Since the company was founded in 1991 at Lund University in Sweden, Probi has expanded its operations to more than 40 markets and holds around 400 patents worldwide. Probi had sales of SEK 618 m in 2022. Probi's shares are listed on Nasdaq Stockholm, Mid-cap, and there were around 3,700 shareholders on December 31, 2022.

