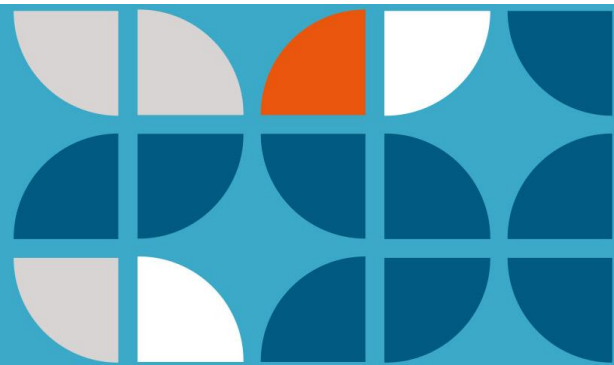


Interim report July - September 2022



Weaker growth in US

Important events during the third quarter

- Net sales decreased by 9% (-22% adjusted for currency effects) to SEK 145 m (159) in Q3 and decreased by 3% (-13% adjusted for currency effects) to SEK 474 m (488) for the first nine months of the year.
- The EBITDA margin was 25% (27) in Q3 and 25% (26) for the first nine months of the year.
- Weaker development in the Americas region driven by changed order patterns and a more cautious market.
- Pilot study with 132 participants in mental health completed and results expected in Q4.

SEK

145 m

Net sales

25%

EBITDA margin

Financial overview

SEK m	Jul-Sep		Jan-Sep		Full-year	
	2022	2021	2022	2021	RTM	2021
Net sales	145.1	158.9	474.3	488.1	644.3	658.2
Growth, %	-8.7%	-18.4%	-2.8%	-8.3%	-2.1%	-8.2%
Currency adjusted growth, %	-22.1%	-17.0%	-13.2%	-1.2%	-10.2%	-3.3%
Gross margin, %	40.6%	41.9%	42.7%	42.1%	44.2%	43.8%
EBITDA	36.3	42.3	120.5	128.5	174.6	182.5
EBITDA margin, %	25.0%	26.6%	25.4%	26.3%	27.1%	27.7%
Operating profit (EBIT)	14.5	23.9	58.2	75.2	92.3	109.2
EBIT margin, %	10.0%	15.1%	12.3%	15.4%	14.3%	16.6%
Net income	12.4	18.5	46.4	56.9	72.6	83.1
Earnings per share before and after dilution, SEK	1.09	1.62	4.07	4.99	6.37	7.30

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 Regulation. The information was submitted for publication, through the agency of the CEO and CFO, on October 21, 2022 at 08:00 CET. This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails.



Challenges in the Americas region

The third quarter did not meet our targets, largely explained by developments in the Americas region. In total, net sales decreased by 9% in the quarter and just under 3% for the first nine months of the year.

The EBITDA margin in Q3 was 25% (27), a result of lower net sales but also higher costs attributable to forward-looking investments to further strengthen our commercial organization. The quarter also contained costs related to business development activities, and adjusted for these, the EBITDA margin was 26%.

Sales in the Americas region were down 11% despite strong support from the dollar. Adjusted for currency effects, sales were down 28% in the quarter. For the first nine months of the year, sales in the Americas region have decreased by 3% in total. The American market had weak development in Q3, primarily in our LiveBac® range, where we are negatively affected by missed orders from a few larger customers. In our ClinBac™ range we on the other hand have several customers who are developing positively with our products. We have continued to strengthen our commercial organization in the region to accelerate this development. Sales cycles for ClinBac™ are generally longer but result in longer term customer contracts and higher margins over time. During the next six-month period, we estimate that two to three new ClinBac™ customers will be launched in the Americas.

In Q3 we experienced disruptions in the supply chain caused by temporary raw material shortages at our manufacturing facilities in the US. This led to disruption in certain customer deliveries. The raw material shortage was global but temporary, and we have increased stock levels and validated additional suppliers to ensure access to raw materials

The EMEA region is generally developing well and we see a positive trend with most of our customers in the region. In the quarter, two new customer agreements were signed for launches in the next few months. At the same time, we note that the European launch by Perrigo has not gone according to their expectations and the contribution from this contract is currently lower than expected.

Sales in the APAC region increased by 16% in Q3. We are pleased that Sinopharm is developing according to plan and they are now in the launch or pre-launch phase of four product concepts based on Probi's probiotics, three based on ClinBac™ and one on LiveBac®.

In Q4 we are expecting the results from a recently completed clinical pilot study in mental health. This is an area with great potential and although more studies are required in the field, we see good prospects in this market segment moving forward.

We have had a challenging year, particularly in the Americas region, and our expectation is that our net sales for the full year will be slightly below previous year. We have lost contracts which will be difficult to compensate in the short-term, but we are filling our pipeline with exciting launches in the coming year. We are cautiously optimistic about 2023 and are working intensively on growing organically but also evaluating acquisitions. Our financial position is strong, and we want to use it for strategic investments. We are determined that Probi will return to growth in 2023.

Tom Rönnlund
CEO



Net sales

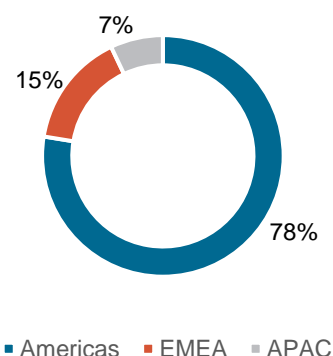
July – September (third quarter)

During Q3, net sales amounted to SEK 145.1 m (158.9), corresponding to a decrease of SEK 13.8 m or 9%. Adjusted for currency effects, net sales amounted to SEK 123.7 m, corresponding to a decrease of 22%.

The decrease of SEK 13.8 m is explained by lower reported sales in the Americas, which decreased by SEK 14.5 m (11%), while EMEA decreased by SEK 0.8 m (3%) and APAC increased by SEK 1.4 m (16%).

The America's share of net sales in Q3 was 78%. EMEA accounted for 15% and APAC for 7%.

Net sales distribution per segment



January – September (nine months)

Net sales amounted to SEK 474.3 m (488.1), which was 3% lower than the previous year. Adjusted for currency effects, this corresponds to a decrease of 13%. The decrease is mainly explained by a few major customers in the Americas, where sales have not occurred due to the postponement of orders, and changes in customers' product portfolios. The Americas region decreased by SEK 10.2 m (-3%). EMEA has had a positive development during the first nine months of the year, but the comparison period includes milestone-related revenue, which means that reported net sales were SEK 5.3 m lower (-6%). Adjusted for these, the sales increase was 3% in the region. Sales in APAC increased by SEK 1.7 m (4%) for the first nine months of the year.

Net sales per segment

SEK m	Jul-Sep			Jan-Sep		
	2022	2021	Change, %	2022	2021	Change, %
Americas	112.5	127.0	-11.4%	346.4	356.7	-2.9%
EMEA	22.4	23.1	-3.0%	88.0	93.3	-5.7%
APAC	10.2	8.8	15.9%	39.9	38.2	4.5%
Net sales	145.1	158.9	-8.7%	474.3	488.1	-2.8%



Earnings

Operating profit (EBIT)

The operating profit for Q3 amounted to SEK 14.5 m (23.9), which corresponds to a decrease of SEK 9.4 m or 39%. Adjusted for currency effects, the operating profit was SEK 10.1 m.

Sales and marketing expenses amounted to SEK 23.7 m (20.8), where the increase mainly is explained by changed exchange rates but also increased customer activities.

Research and development costs were lower than the previous year and amounted to SEK 6.9 m (9.4), which is mainly explained by how the phasing of various research projects runs over the year.

Administrative expenses increased by SEK 1.3 m compared to the previous year and amounted to SEK 13.8 m (12.5). The increase is explained by costs of SEK 1.1 m connected with business development activities.

Operating profit

SEK m	Jul-Sep			Jan-Sep		
	2022	2021	Change, %	2022	2021	Change, %
Gross profit Americas	40.6	50.7	-19.9%	131.6	133.0	-1.1%
Gross profit EMEA	12.2	11.6	5.2%	47.1	50.6	-6.9%
Gross profit APAC	6.0	4.2	42.9%	23.8	21.8	9.2%
Gross profit	58.9	66.5	-11.4%	202.5	205.4	-1.4%
Sales and marketing expenses	-23.7	-20.8	13.9%	-73.8	-64.9	13.7%
Research and development expenses	-6.9	-9.4	-26.6%	-26.5	-27.8	-4.7%
Administration expenses	-13.8	-12.5	10.4%	-44.2	-37.6	17.6%
Other operating income	0.1	0.1	0.0%	0.2	0.1	100.0%
Operating profit (EBIT)	14.5	23.9	-39.3%	58.2	75.2	-22.6%

Financial result

The financial result for Q3 amounted to SEK 0.9 m (-0.4). Net financial items excluding exchange rate results amounted to SEK -0.1 m (-0.4) and consisted mainly of interest on leasing contracts. The exchange rate result amounted to SEK 1.0 m (0.0) in Q3 and refers to the translation of cash and cash equivalents in foreign currency.

The period's profit for the quarter amounted to SEK 12.4 m (18.5). The tax cost was SEK 3.0 m (5.1).

Earnings per share

Earnings per share for Q3 amounted to SEK 1.09 (1.62).



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 decreased by 11% and amounted to SEK 113 m. Adjusted for currency effects, net sales amounted to SEK 92 m, corresponding to a decrease of 28% in Q3.

During the quarter, there were disruptions in the supply chain due to temporary raw material at the manufacturing facilities in US. This meant disruption to parts of our customer deliveries.

In addition, the region is affected by a generally more cautious market sentiment. Continued fluctuations between the quarters are also expected in future as larger customers' order patterns are very important for the individual quarter.

The gross margin in Q3 was 36% (40). The lower gross margin compared to the previous year is due to a lower sales volume.

SEK m	Jul-Sep			Jan-Sep		
	2022	2021	Change, %	2022	2021	Change, %
Net Sales	112.5	127.0	-11.4%	346.4	356.7	-2.9%
Cost of goods sold	-72.0	-76.3	-5.6%	-214.8	-223.7	-4.0%
Gross profit	40.6	50.7	-19.9%	131.6	133.0	-1.1%
Gross margin	36.1%	39.9%	-3.8 ppt	38.0%	37.3%	0.7 ppt

EMEA

Net sales in EMEA decreased by 3% compared to the previous year to SEK 22 m (23).

The region is generally developing well and we see a positive trend with most of our customers. In Q3, two new customer contracts were signed with customers in Germany and Italy. At the same time,

Perrigo's launch has not met expectations and the contribution is lower than expected.

The gross margin for Q3 was 55% (50). The higher gross margin is due to a favorable product mix.

SEK m	Jul-Sep			Jan-Sep		
	2022	2021	Change, %	2022	2021	Change, %
Net Sales	22.4	23.1	-3.0%	88.0	93.3	-5.7%
Cost of goods sold	-10.2	-11.5	-11.3%	-40.9	-42.7	-4.2%
Gross profit	12.2	11.6	5.2%	47.1	50.6	-6.9%
Gross margin	54.6%	50.2%	4.4 ppt	53.5%	54.2%	-0.7 ppt



APAC

Development in the region continues to strengthen. Net sales increased by 16% in Q3 to SEK 10 m (9).

The partnership with Sinopharm Foreign Trade is developing according to plan. They are now in the launch or pre-launch phase of four product concepts, three of which are based on ClinBac™ and one on LiveBac®.

Developments in the region are expected to continue to fluctuate significantly as individual customer orders have major effects on quarterly outcomes. We remain positive about the outlook for the region based on the current sales pipeline.

The gross margin was higher than the previous year and amounted to 59% (48) and was driven by a favorable product mix.

SEK m	Jul-Sep			Jan-Sep		
	2022	2021	Change, %	2022	2021	Change, %
Net Sales	10.2	8.8	15.9%	39.9	38.2	4.5%
Cost of goods sold	-4.2	-4.6	-8.7%	-16.1	-16.4	-1.8%
Gross profit	6.0	4.2	42.9%	23.8	21.8	9.2%
Gross margin	59.0%	47.7%	11.3 ppt	59.6%	57.1%	2.5 ppt

Cash flow and cash and cash equivalents

Cash flow from operating activities before changes in working capital decreased to SEK 38.0 m (42.7) in Q3 due to a lower operating profit.

Working capital increased during Q3, mainly due to reduced accounts receivable, and the cash flow from operating activities was SEK 72.7 m (2.4).

Cash flow from investment activities amounted to SEK -14.1 m (-64.6) and mainly consisted of investments in tangible assets. The comparison period included an investment in Blis Technologies of SEK 55.9 m.

Cash flow from financing activities was -3.9 MSEK (-4.6), which consisted mainly of amortization of leasing liabilities.

The period's change in cash and cash equivalents amounted to SEK 62.5 m (-65.1) and cash and cash equivalents amounted to SEK 328.1 m (195.9) at the end of the period.

Investments

During Q3, investments in intangible assets amounted to SEK 3.5 m (1.7), of which SEK 1.1 m (1.1) related to patents, SEK 0.5 million (0.6) related to capitalized development expenses and SEK 1.9 m (0.0) related to IT systems. Investments in tangible assets amounted to SEK 10.5 m (7.0), and mainly related to investments in the manufacturing unit in Redmond.

Employees

At the end of the period, Probi had 165 (177) employees, of which 52% (50) were women. The average number of employees during the quarter was 170 (179).



Transactions with related parties

During Q3, Probi reported SEK 1.9 m (0.8) 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 initiated an invasion of Ukraine. Probi has 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 increase takes full effect depending on the agreed terms. As Probi's manufacturing units are in the USA, the European energy crisis has had a limited impact on the company.

In connection with Covid-19, it is mainly the risks surrounding changing consumer trends and the company's supply of goods that have become relevant. Other risks and uncertainties to which Probi's operations are exposed are described on pages 48–49 of the annual report for 2021.

Parent company

During Q3, the parent company's operating income amounted to SEK 62.6 m (66.5). The profit for the period was SEK 21.4 m (14.7) and the increase was due to a better operating profit and net financial items. Investments in tangible and intangible assets amounted to SEK 2.5 million (1.7). For further details, please see the information for the Group.

Financial calendar

Year-end report 2022	January 27, 2023
Interim report Q1 2023	April 26, 2023
Annual General Meeting 2023	May 4, 2023
Interim report Q2 2023	July 18, 2023
Interim report Q3 2023	October 24, 2023
Year-end report 2023	January 26, 2024

Invitation to teleconference

Probi's interim report for Q3 2022 is published on October 21, 2022, at 8:00 a.m. On the same day at 10:00 a.m., a telephone conference will be held with Tom Rönnlund, CEO and Henrik Lundkvist, CFO, who will present the report. The conference call can be accessed on +46 (0)8 56 64 27 06. 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 21, 2022

Jean-Yves Parisot
Chairman of the Board

Jörn Andreas
Board member

Irène Corthésy Malnoë
Board member

Charlotte Hansson
Board member

Malin Ruijsenaars
Board member

Tom Rönnlund
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	
		2022	2021	2022	2021
Net sales	2	145,075	158,867	474,303	488,142
Cost of goods sold	3	-86,223	-92,326	-271,847	-282,733
Gross profit		58,852	66,541	202,456	205,409
Sales and marketing expenses		-23,689	-20,809	-73,821	-64,950
Research and development expenses		-6,941	-9,416	-26,499	-27,789
Administration expenses		-13,831	-12,454	-44,194	-37,651
Other operating income		73	53	249	131
Operating profit (EBIT)		14,464	23,915	58,191	75,150
Financial income		515	36	627	98
Financial expenses		-634	-457	-1,897	-1,375
Exchange result financing activities	4	1,002	44	1,665	156
Financial result		883	-377	395	-1,121
Earnings before income taxes		15,347	23,538	58,586	74,029
Income taxes		-2,982	-5,084	-12,231	-17,152
Net income		12,365	18,454	46,355	56,877
Other comprehensive income					
Components to be reclassified to net income					
Exchange rate differences resulting from the translation of foreign operations		87,554	28,302	206,392	61,285
Cash flow hedge (currency hedges)		-238	—	—	—
Income taxes payable on these components		59	—	—	—
Total components to be reclassified to net income		87,375	28,302	206,392	61,285
Components not to be reclassified to net income					
Equity instruments at fair value through OCI		4,207	9,463	-14,356	9,463
Total components not to be reclassified to net income		4,207	9,463	-14,356	9,463
Sum of other comprehensive income		91,582	37,765	192,036	70,748
Total comprehensive income		103,947	56,219	238,391	127,625
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		1.09	1.62	4.07	4.99



Consolidated statement of financial position

SEK 000	30 September 2022	31 December 2021
ASSETS		
Capitalized development cost	26,446	32,096
Customer base	272,338	239,887
Technology and other intangible assets	119,386	111,411
Goodwill	376,953	307,011
Property, plant and equipment	143,905	91,940
Right-of-use assets	72,652	74,739
Interests in other entities	86,845	101,201
Deferred tax assets	352	301
Non-current assets	1,098,877	958,586
Inventories	111,476	93,822
Trade receivables	96,701	119,060
Other assets and receivables	8,327	9,684
Cash and cash equivalents	328,117	251,017
Current assets	544,621	473,583
Total assets	1,643,498	1,432,169
EQUITY AND LIABILITIES		
Total equity	1,489,119	1,265,541
Deferred tax liabilities	15,358	13,359
Provisions	15,358	13,359
Non-current lease liabilities	59,998	62,733
Other non-current liabilities	5,840	4,748
Non-current liabilities	65,838	67,481
Trade payables	28,730	46,244
Current lease liabilities	17,459	14,856
Other current liabilities	26,994	24,688
Current liabilities	73,183	85,788
Total liabilities	154,379	166,628
Total equity and liabilities	1,643,498	1,432,169



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 2021	58,221	600,205	-58,034	—	—	514,811	1,115,203
Net income	—	—	—	—	—	56,877	56,877
Other comprehensive income	—	—	70,748	—	—	—	70,748
Total Comprehensive Income	—	—	70,748	—	—	56,877	127,625
Dividends	—	—	—	—	—	-12,534	-12,534
Total transactions with shareholders	—	—	—	—	—	-12,534	-12,534
Closing balance, 30 Sep 2021	58,221	600,205	12,714	—	—	559,154	1,230,294

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	—	-14,356	—	192,036
Total Comprehensive Income	—	—	206,392	—	-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	—	-22,077	616,964	1,489,119



Consolidated cash flow statement

SEK 000	Jul-Sep		Jan-Sep	
	2022	2021	2022	2021
Net income	12,365	18,454	46,355	56,877
Adjustments to reconcile net income to cash from operating activities				
Income taxes	2,981	5,085	12,231	17,152
Interest result	98	398	1,197	1,190
Amortization, depreciation and impairment of non-current assets	21,861	18,395	62,304	53,304
Other non-cash expenses and income	662	352	1,643	1,932
Cash flow before working capital changes	37,967	42,684	123,730	130,455
Change in trade receivables and other current assets	38,014	-41,125	39,999	-23,672
Change in inventories	8,027	5,426	1,596	8,461
Change in trade payables and other current liabilities	-8,216	-3,751	-19,344	-16,404
Income taxes paid	-3,097	-883	-14,862	-16,109
Cash flow from operating activities	72,695	2,351	131,119	82,731
Payments for investing in intangible assets	-3,530	-1,695	-7,699	-5,759
Payments for investing in interests in other entities	—	-55,891	—	-55,891
Payments for investing in property, plant and equipment	-10,541	-7,009	-37,401	-21,133
Divestments of tangible assets	—	—	20	—
Cash flow from investing activities	-14,071	-64,595	-45,080	-82,783
Interest paid	-624	-1,532	-1,853	-2,369
Interest received	214	—	224	—
Repayments for lease obligations	-3,501	-3,104	-10,093	-9,212
Dividends paid	—	—	-14,812	-12,534
Cash flow from financing activities	-3,911	-4,636	-26,534	-24,115
Cash flow for the period	54,713	-66,880	59,505	-24,167
Effects of changes in exchange rates	7,787	1,747	17,595	4,516
Change in cash and cash equivalents	62,500	-65,133	77,100	-19,651
Cash and cash equivalents at opening balance	265,617	261,034	251,017	215,552
Cash and cash equivalents at closing balance	328,117	195,901	328,117	195,901



Parent company's condensed financial statements

SEK 000	Jul-Sep		Jan-Sep	
	2022	2021	2022	2021
Operating revenue	62,600	66,456	215,599	213,181
Operating costs	-14,841	-18,704	-58,500	-63,866
Gross profit	47,759	47,752	157,099	149,315
Operating profit (EBIT)	20,445	18,612	60,525	59,329
Result from financial income and expenses	5,489	57	37,650	42,529
Income before tax	25,934	18,669	98,175	101,858
Net income	21,435	14,740	85,052	89,303

SEK 000	Jul-Sep		Jan-Sep	
	2022	2021	2022	2021
Net income	21,435	14,740	85,052	89,303
Sum of other comprehensive income	—	—	—	—
Total comprehensive income	21,435	14,740	85,052	89,303

SEK 000	30 September 2022	31 December 2021
ASSETS		
Non-current assets	1,046,859	1,065,635
Current assets	293,614	214,212
Total assets	1,340,473	1,279,847
EQUITY AND LIABILITIES		
Equity	1,310,288	1,240,049
Current liabilities	30,185	39,798
Total equity and liabilities	1,340,473	1,279,847



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 9-16. 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 2021.

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 2022				Jul-Sep 2021			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Goods	110,950	21,411	10,231	142,592	125,584	22,249	8,761	156,594
Royalty	1,593	990	—	2,583	1,451	822	—	2,273
Net sales	112,543	22,401	10,231	145,075	127,035	23,071	8,761	158,867

SEK 000	Jan-Sep 2022				Jan-Sep 2021			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Goods	341,511	85,671	39,865	467,047	352,415	83,570	38,154	474,139
Royalty	4,863	2,293	—	7,156	4,292	9,711	—	14,003
Net sales	346,374	87,964	39,865	474,303	356,707	93,281	38,154	488,142

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	
	2022	2021	2022	2021
Exchange gains operating activities	1,824	735	6,165	1,794
Exchange losses operating activities	-833	-254	-2,763	-1,214
Exchange result operating activities	991	481	3,402	580

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	
	2022	2021	2022	2021
Exchange gains financing activities	1,980	101	4,090	822
Exchange losses financing activities	-978	-57	-2,425	-666
Exchange result financing activities	1,002	44	1,665	156

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 (EBIT)

The operating profit (EBIT) is defined as the profit 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	
	2022	2021	2022	2021
Net income	12,365	18,454	46,355	56,877
Income taxes	2,982	5,084	12,231	17,152
Financial result	-883	377	-395	1,121
Operating profit (EBIT)	14,464	23,915	58,191	75,150

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	
	2022	2021	2022	2021
Operating profit (EBIT)	14,464	23,915	58,191	75,150
Depreciation and amortization	21,861	18,395	62,304	53,304
EBITDA	36,325	42,310	120,495	128,454



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 more than 400 patents worldwide. Probi had sales of SEK 658 m in 2021. Probi's shares are listed on Nasdaq Stockholm, Mid-cap, and there were around 3,800 shareholders on December 31, 2021.

