

2015

Probi
Annual Report
2015



Recipe for success

Success is the result of determined and persevering effort.

For 25 years, we at Probi have systematically worked to create well-documented probiotic products. And we have been successful – our efforts have generated results. Not least in North America, where we have increased our sales in the past two years from MSEK 18 to MSEK 132. And this positive trend is continuing.

Strategic trend monitoring, connected to thorough development work based on commercial considerations, is one of the cornerstones of our success. A commercial approach is ever present in our laboratories – we never touch a test tube until we know there is a market out there for our product.

As our sales have grown, we have increased in numbers. During 2015, we expanded our workforce from 27 to 37 employees.

Our core values of credibility, dedication, courage, curiosity and clarity serve as lodestars in our joint quest to achieve new targets – and create new recipes for continued success.

Positive impact of probiotics

When a human being is born, he/she is completely sterile. Immediately after birth, bacteria form on the skin, in the mouth and in the intestines and then multiply. Throughout the rest of our lives, we carry a variety of microorganisms, with bacteria accounting for more than one kilo of a person's weight.

For many years, one of the principal goals for science was to understand, prevent and treat the diseases caused by bacteria. As a result, the enthusiasm for penicillin and other antibiotics discovered in the 1900s was great.

In recent years, research has shown that only a few of the bacteria we carry can be considered harmful. In fact, the contrary is true, in that the vast majority of bacteria are "good" for the body, and we can't live without them.

Scientists have discovered a clear correlation between intestinal microbiota and good health.

In a healthy intestine, bacteria live in coexistence with the body. The bacteria feed on the fibres we consume and convert them into substances that are useful for the body. The presence of bacteria is also important for stimulating the body's immune system. Half of the cells that affect our immune system exist in the intestines.

The natural intake of probiotic bacteria has declined

Probiotics are defined as "live microorganisms, which when administered in adequate amounts confer a health benefit on the host" (FAO/WHO, 2001).

People have eaten probiotic-rich fermented foods, such as yoghurt, sauerkraut,

sausage, pickled herring and cheese, for thousands of years. Fermentation used to be a method used for preserving food. This was completely changed by the advent of the fridge and new methods of preservation, and today our food does not need to be fermented. This means that our intake of probiotics through the normal food we eat has declined considerably. One way to increase uptake is to eat food with added probiotics or dietary supplements that contain probiotics.

Probi was created

In the early 1980s, a number of researchers in Lund were exploring the high mortality of intensive-care patients. They concluded that this was probably due to a damaged intestinal lining, which enabled harmful bacteria to leak from the intestine into the body. Scientists wondered whether the intestines could be tightened with the help of bacteria and started to look for a good bacterium. The foundation was laid for Probi.

The scientists began by studying the bacterial strains that are prevalent in healthy mucosa. These strain were given to healthy research subjects to determine which strain was best able to colonise and multiply in the intestinal mucosa. The demand faced by the scientists was to find the bacteria that could survive the journey through the entire body, all the way down to the rectum.

Lactobacillus plantarum 299v (DSM 9843) was the bacterial strain that achieved the best results. This strain occurs naturally on the surface of berries and fruit, where it breaks down fibres and builds substances that prevent mould growth. Probi decided to ferment oatmeal with the selected bacterial strain and then add this to a fruit drink. The end result was ProViva.

Identifying the right bacterial strains was an arduous process

Finding the right bacterial strains in the vast flora of the intestine is an extremely labori-

ous task. *Lactobacillus* is a large family and many factors had to be taken into account. For example, the bacteria had to generate positive health effects, be cultivatable and producible while showing the necessary stability in the form of a product.

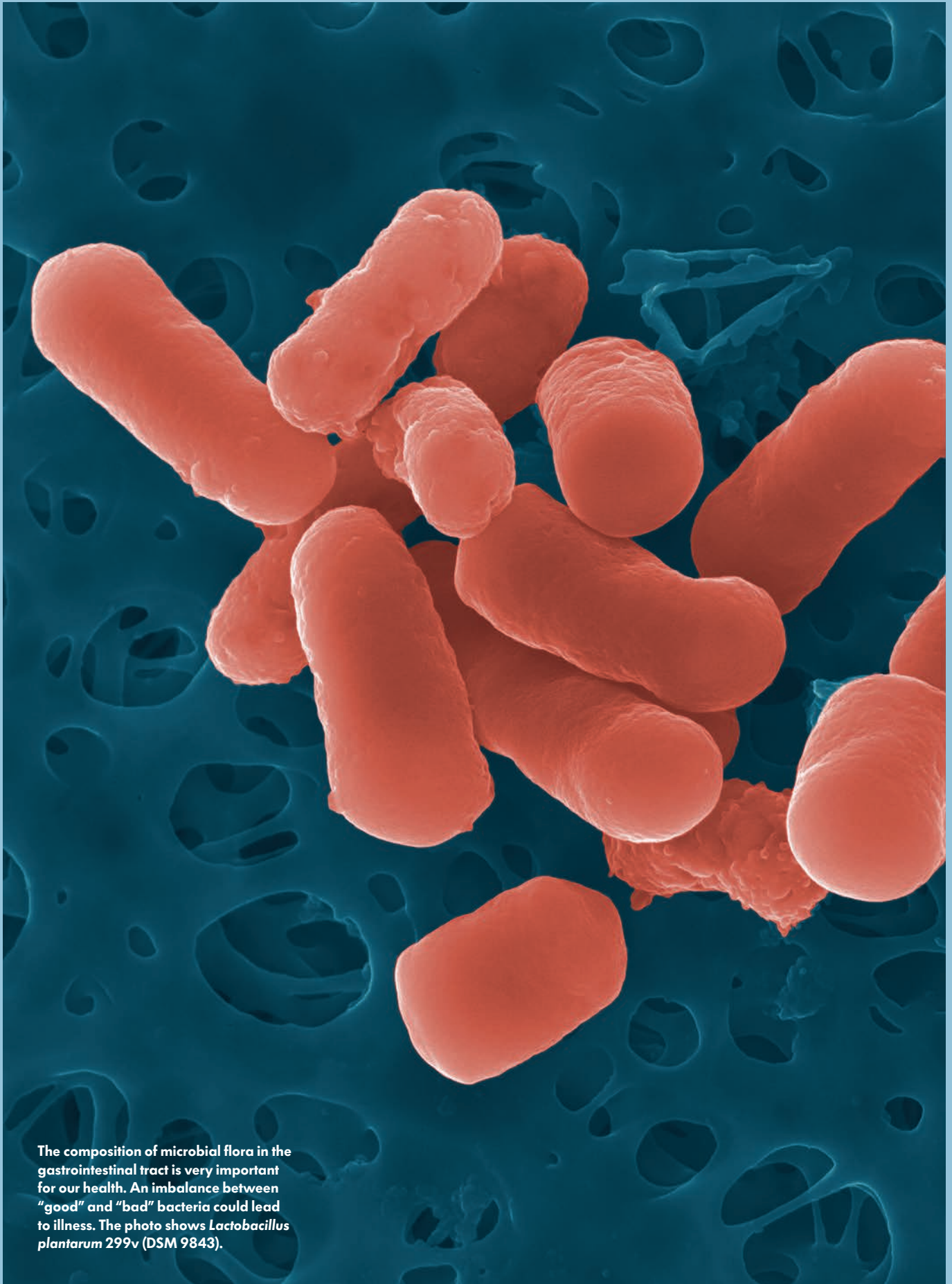
There are many different types of probiotic bacteria. To identify a specific effect, it is not enough to, for example, choose a *Lactobacillus*, or even to choose a specific species of *Lactobacillus*; it was necessary to isolate it at the strain level. Different strains have different effects despite very small differences in their genetic structure.

The composition of microbial flora in the gastrointestinal tract is very important for health. An imbalance between "good" and "bad" bacteria can cause illness. Probiotics help to balance intestinal flora, thus leading, for example, to a healthier digestive system and boosting immunity.

Probiotics have been used in attempts to improve human health in a range of areas, from relieving cold symptoms and reducing diarrhoea, constipation and flatulence to preventing allergies and eczema. Probiotics have also shown the ability to reduce the side-effects of radiation and chemotherapy, and have beneficial effects on oral and vaginal health. In recent years, considerable research has focused on studying the significance of bacteria to the emergence of life-style-related illnesses such as obesity, diabetes and cardiovascular diseases.

New research into microbiota

New technology and major international research initiatives are beginning to explain the role of human microflora, or "microbiota." Studies have demonstrated a link between low microbiology diversity and the risk of developing various medical conditions. This has generated growing interest in how probiotics can influence and increase this diversity.



The composition of microbial flora in the gastrointestinal tract is very important for our health. An imbalance between "good" and "bad" bacteria could lead to illness. The photo shows *Lactobacillus plantarum* 299v (DSM 9843).

Contents

4	This is Probi
5	2015 in brief
6	Why things are going so well right now
8	Six secrets behind Probi's success
22	Business concept, vision and mission
24	Probiotic products are growing worldwide
28	Increased number of clinical trials
32	North America continues to grow
34	Launch of a third platform, Probi FerroSorb®
38	Key strategic order in South Korea
40	Sharp increase in number of employees – focus on marketing and sales
44	The share

Financial statements under IFRS

48	Annual Report and consolidated financial statements for 2015 financial year
49	Directors' report
53	Corporate governance report
55	Financial statements
60	Notes
68	Signatures for the annual report
69	Auditors' Report
70	Board of Directors
72	Management
74	Annual General Meeting
74	Financial calendar for 2016

This is a translation of the Swedish version of the Annual Report.
In case of discrepancies, the Swedish wording prevails.



Miljömärkt trycksak, lic nr 3041 0937

Probi's business is focused on the health and well-being of people. Integrating efforts for a better environment with sustainable development are a natural part of the daily operations. Probi's environmental management system has been certified according to ISO 14001:2004 since 2012, with the SP Technical Research Institute of Sweden as the external certification body. All Probi AB operations are encompassed by this environmental management system, which comprises an environmental manual, an environmental policy and a list of environmental aspects.

For more information, see www.probi.se.

This is Probi

215.7
millions

Net sales
MSEK 215.7 (135.2)

Probi AB is a Swedish bioengineering company, headquartered in Ideon in Lund, which develops effective and well-documented probiotics. Through its excellent research, Probi has created a strong product portfolio in the gastrointestinal health and immune system niches, which was supplemented during 2015 with a product for improved iron absorption. The products are available to consumers in more than 30 countries worldwide. Probi's customers are leading food, health-product and pharmaceutical companies in the Group's two business areas: Consumer Healthcare and Functional Food. During 2015, net sales increased to MSEK 216 (135). Probi's share is listed on Nasdaq OMX Stockholm, Small Cap. The company has about 4,000 shareholders.

More than 30 countries

Probi's products are sold or in the process of being launched in more than 30 countries, and the geographic spread is increasing gradually.

60% growth

During 2015, Probi's sales grew by 60%, mainly because of a highly positive trend in the US. Over the past two years, Probi's sales have more than doubled.

Three probiotic platforms

During 2015, Probi launched its third probiotic product platform, Probi FerroSorb®, which stimulates the body's absorption of iron. The first product based on this platform was launched in Sweden during the first quarter of 2016. Probi's previously launched platforms are Probi Digestis® and Probi Defendum®.

Commercial research

Probi conducts extensive and structured research and development activities, with all projects based on customer requirements. In recent years, several trials have presented results that are important for Probi's future development, in both the long and the short term.

Two business areas

In the company's two business areas, Consumer Healthcare and Functional Food, and in partnership with leading food and pharmaceutical companies, Probi develops, markets and sells probiotics in the form of capsules, tablets and fruit juice drinks.

From 27 to 37 employees

In 2015, the number of employees rose from 27 to 37, an increase of nearly 40%, with marketing and sales accounting for most of the recruitments.

63.1
millions

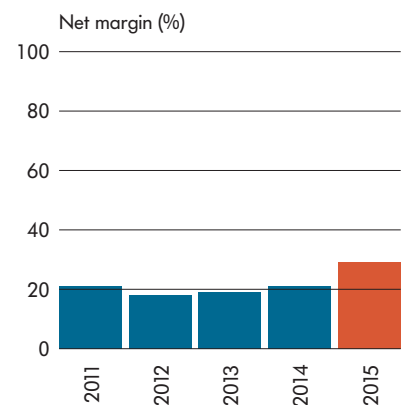
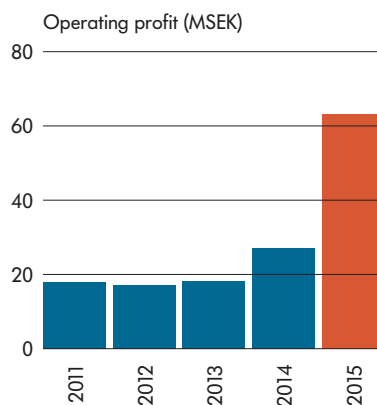
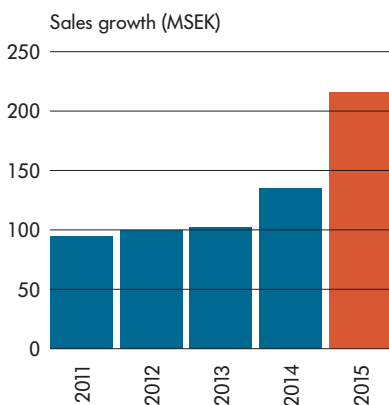
Operating profit
MSEK 63.1 (27.0)

29
per cent

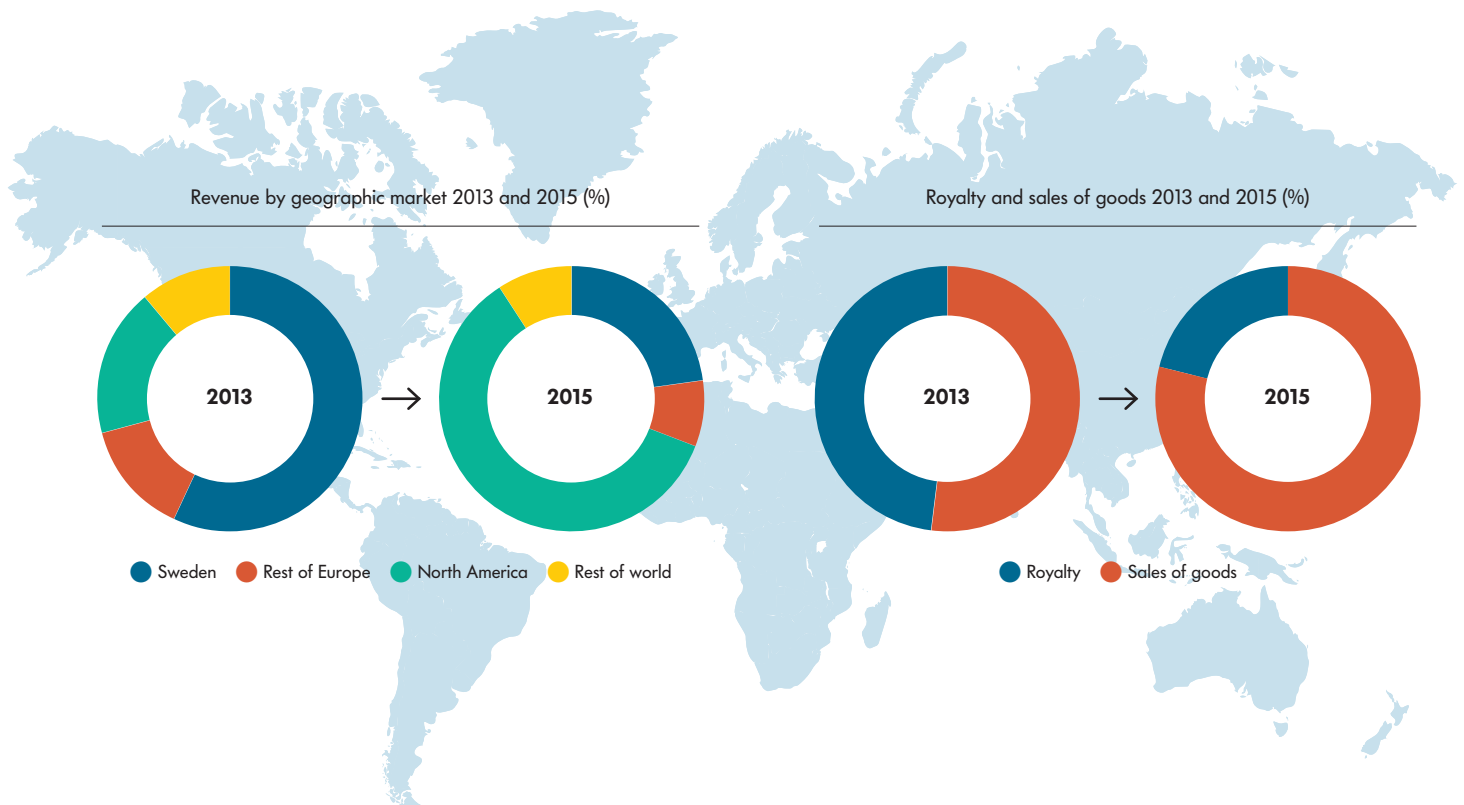
Net margin
29% (21)

37
people

Number of employees
37 (27) by the end of 2015



2015 in brief



FIRST QUARTER

- Record-large MSEK 17 order secured from US company NBTY, which was delivered in the first quarter.
- Long-term research collaboration entered into with Wageningen University in the Netherlands.
- The partnership agreement with DKSH was expanded to include launches of Probi Digestis® in Hong Kong and Macau.
- Distribution agreement signed with Jamieson for the launch of Probi Digestis in Canada.

SECOND QUARTER

- The organisation was expanded with six new employees, primarily in Marketing and Sales.
- The agreements with Sanofi and Dongkook in South Korea were expanded to include the launch of new product varieties for digestive health.
- Pharmavite, USA, conducted an extensive marketing campaign for products featuring Probi's probiotics.

THIRD QUARTER

- Peter Nählstedt, Probi's CEO, appointed President of the International Probiotics Association Europe (IPA Europe).

FOURTH QUARTER

- Launch of new Functional Food product with Seoul Dairy Cooperative, South Korea.
- Probi's new product for improved iron absorption, Probi FerroSorb®, ready for launch.

Why things are going so well right now

Net sales of MSEK 216, up 60%. Operating profit MSEK 63, up 133%. Yes, these figures are right. 2015 was a fantastic year for Probi, in terms of both growth and earnings.

The foundation for our growth is that we operate in a market characterised by globally increasing interest in health.

Science is making daily advances in an effort to map the relationship between medical conditions and the composition of our microbiota. Throughout the world, people are increasingly becoming aware that products containing probiotics can have significant positive effects on health. This is leading to an attractive global market for probiotics, where healthy growth is anticipated for several years to come.

Probi's new guise

Over the past two years, Probi has essentially completely changed its shape.

We have moved from sales dominated by royalty revenue (primarily from ProViva) to an ever greater share of revenues from product sales. During 2013, slightly more than 50% of our revenues derived from products. During 2015, the figure was 80%. And this is occurring at the same time as sales have more than doubled, from MSEK 100 to MSEK 216. This means that product sales have accounted for virtually all of our growth.

Geographically, it has primarily been our positive development in the US that has driven the growth. For two consecutive years, we have reaped major successes in the North American market, with sales rising from MSEK 18 to MSEK 132. The US currently accounts for 60% of our sales, compared with 20% in 2013. At the same time, the share accounted for by Sweden has declined from nearly 60% to just over 20%.

This change has also resulted in a different customer structure. Today, we have a much wider customer base, providing long-term strength and security.

Continued successes in the US

We have continued to note successes in the US, mainly because of our agreements with a number of the major players in the market. Our bacteria have been included in NBTY's big seller, the Probiotic 10, which rapidly gave us substantial volumes early in the year. Sales in Asia remained stable, and we also launched a completely new functional food product in South Korea together with Seoul Dairy.

The sales successes and the geographical expansion were supplemented during the summer when we presented a completely new product platform, Probi FerroSorb®, with deliveries to Swedish pharmacies in the form of the product, Probi Järn, starting in early 2016. Just like our two successful previous digestive and immune concepts, our new product platform has a solid scientific base, in the form of several clinical trials.

Probi FerroSorb is proof that the investments we make in our commercially driven research and development pay off. We are continuing to invest in future growth through new product development projects.

Expanded organisation strengthens sales efforts

In 2015, we made considerable investments in expanding the organisation, with the number of employees rising from 27 to 37. Most of the recruitments took place in sales and marketing, where the organisation was doubled. Probi's corporate culture is characterised by entrepreneurial spirit, with a high degree of cooperation. When making our recruitments, we placed great emphasis on finding new employees who can continue to develop our winning culture. During the year, we also continued to work on the company values that we adopted at the end of 2014.

We have now reached a level of sales where it is becoming strategically important to have employees located close to the customers, so that we can serve them more effi-

ciently. During 2015, we employed our first person outside Sweden. This happened in Singapore, where we recruited a person with responsibility for Asia.

Attractive acquisition opportunities

We see opportunities to supplement our organic growth with acquisitions. We have a solid financial position and a strong balance sheet. Since the market is also showing considerable interest in Probi, we have a favourable starting point for acquisition activities.

I am gratified that the interest in the Probi share increased during 2015. Although our principal owner Symrise has a substantial ownership stake, share turnover is rising, which is proof of increased interest. The number of shareholders increased during the year to 3,884 (3,332).

Probi will continue to grow during 2016, while retaining healthy profitability. However, we will probably not achieve the same exceptional growth rate as in 2015.

There continues to be major opportunities in most geographical markets, particularly the US, where we have built a strong position. We see favourable potential in Asia and also have hopes that demand in Europe will pick up. We are engaged in a number of interesting discussions concerning markets with considerable volume potential, which could drive our growth over the next few years. If we are successful with any of these projects as early as 2016, our growth could rise additionally.

Lund, March 2016



Peter Nählested
CEO





**Six secrets
behind Probi's
success**

In two years,
Probi's sales have more than
doubled. Following sterling and
extensive work since 1991 on developing,
documenting, marketing and selling effective
and potent probiotic strains, sales have really
taken off. Probi has reaped major successes in
the North American market and the potential
in Asia remains considerable. The positive
trend in recent years rests stably on six
different cornerstones, which jointly
guarantee continued growth
and success.

#1

Ears to the ground

Probi continuously and thoroughly tracks development in the probiotics market. Considerable research is under way virtually worldwide. Meanwhile, it is at least equally important for Probi to monitor the underlying, general changes and trends in the area of health. The secret is to then combine these trends with the health-enhancing characteristics of probiotics. To date, Probi has developed proprietary digestive health, immune response and iron uptake products.



#2

The customer lives in the laboratory

At Probi, research and development is conducted in symbiosis with sales and marketing. In combination, they are crucial to the company's success, both now and in the future. In Probi's research, consumer needs are always in the centre and it is on this basis that our various development activities are started. We don't touch a test tube without knowing that there is a market out there for our product. Probi conducts market-focused and commercially driven research. The proprietary products, solutions and concepts that arise from our own cutting-edge research form the foundation. Every employee in the company maintains a constant focus on sales of our products. The interaction between research and sales ensures success.



#3

One for all and all for one

During 2015, Probi increased the number of employees from 27 to 37. This is a relatively large rise and it is important that we maintain the culture of the small, open and agile company; in other words, make sure that we retain our entrepreneurial spirit.

Meanwhile, it is important to adopt shared company values – a shared view that characterises the daily activities of the employees. In 2015, Probi therefore continued to work on determining the meaning of the company's core values: credibility, dedication, curiosity, courage and clarity.



#4

Being established where growth occurs

The global market for probiotics is showing annual growth of 5 to 10%, a trend that is expected to be maintained or even accelerate up to 2025. The largest market is the US, which is also the market showing the fastest growth, of about 10% per year. Probi achieved major sales successes in the US during 2014 and 2015. In two years revenue in the North American market have increased from MSEK 18 to MSEK 132. The probiotic market is also growing rapidly in Asia, not least Southeast Asia. Probi has a direct presence there and secured interesting orders during 2015, and also formed a subsidiary in Singapore.



#5

Our man in Singapore

Probi's geographical expansion and greater presence in our markets continues. To gain even better contact with customers and more in-depth knowledge of the various regions, Probi has employed a person with responsibility for each region. Radhakrishna Hemmad has been employed in Singapore and is the only Probi employee to date who does not have a desk in Lund. Since he is responsible for Asia and Oceania, Radhakrishna has an overview of a number of gigantic markets. Like the other regional managers, his responsibility mainly entails building up, strengthening and developing contacts with regional and local customers.



#6

The truth sells best

Since its formation nearly 25 years ago, it has been important for Probi to document the health effects provided by the company's probiotics. This attitude has run like a thread through the company's development during all these years and Probi's bacterial strains are currently among the best documented in the world of probiotics. Excellent proof of this is Nature's Bounty Probiotic 10, the best seller of the US company NBTY, which has decided to replace three bacterial strains in this product with Probi's well-documented bacteria. Probi's successes in the US in recent years are largely based on this excellent clinical documentation.



Business concept, vision and mission

Probi operates in the global health-products market. The company offers probiotics of the highest quality to food, health and pharmaceutical companies.

In turn, these companies offer their customers probiotics in the form of tablets or capsules under their own brands, including Nature's Bounty, Sundown Naturals, Bion Transit and Nature Made, or as Functional Food under such brands as ProViva and GoodBelly. Probi also offers its proprietary brands, Probi Mage®, Probi Frisk® and Probi Järn® in the Nordic market.

Vision

Probi's vision is to be the world leader in the premium segment for probiotics by providing a world-class product range, with profound health benefits, in the world's most important markets.

Mission

Probi provides consumers worldwide with the opportunity to improve their health through clinically tested, effective probiotics.

Business concept

To provide probiotics with clinically documented, beneficial health effects to leading food and dietary supplement companies.

Business areas

Probi's business is organised in two business areas: Consumer Healthcare and Functional Food.

Consumer Healthcare

The Consumer Healthcare business area develops, markets and sells Probi probiotics in partnership with pharmaceutical compa-

nies and other companies specialised in probiotics and self-care products, under Probi's proprietary brand or those of its partners. The regulatory status of the products is either food or consumer healthcare products, depending on the market.

Functional Food

Functional Food develops food that provides beneficial health effects. This development takes place in partnership with leading food companies, in order to commercialise and market products with high volume potential.

Probi's brands and product platforms

The purpose of Probi's brand strategy is to profile Probi in relation to its customers and partners, as well as end-consumers. The aim is that the Probi Digestis®, Probi Defendum® and Probi FerroSorb® brands will occupy a prominent position in the consumer packaging of Probi's partners, as either the main brand or a prominent ingredient brand. Probi registers its brands in all relevant countries and connects them to product platforms to clearly differentiate the products and make it easier for consumers when choosing a product. The platforms enable a number of partnerships for Probi – independent of partner, market or business model.

Probi's product platforms:

Probi Digestis

Clinical documentation for colon irritable/IBS (irritable bowel syndrome), based on *Lactobacillus plantarum* 299v (DSM 9843).

Probi Defendum

Clinical documentation for the prevention and relief of colds and other upper respiratory infections based on a combination of the bacterial strains *Lactobacillus plantarum* HEAL 9 (DSM 15312) and *Lactobacillus paracasei* 8700:2 (DSM 13434).

Probi FerroSorb

Clinical documentation of improved iron uptake from food when *Lactobacillus plantarum* 299v (DSM 9843) is used in combination with vitamin C, folic acid (vitamin B) and a carefully balanced amount of iron.

Financial objectives

Probi's overall objectives are to generate a return for its owners, and to generate funds for developing the business operations and creating growth. The Management Team manages and controls the company based on the guidelines and financial objectives adopted by the Board.

Financial objectives as of 2015:

Growth

To generate growth that exceeds the market average. During 2015, Probi achieved growth of 60%. Adjusted for currency effects, the growth rate was 42%.

Margin

Growth is to be combined with a profit margin (EBITDA) exceeding 20%. Probi's EBITDA margin in 2015 was 32%. Adjusted for currency effects, the EBITDA margin was 27%.

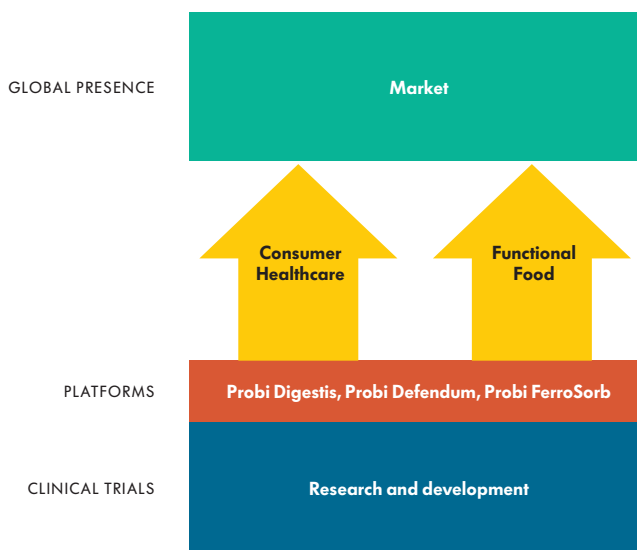
Strategy

Probi's strategic focus is on probiotic-based products, in which Probi has world-leading, patented technology.

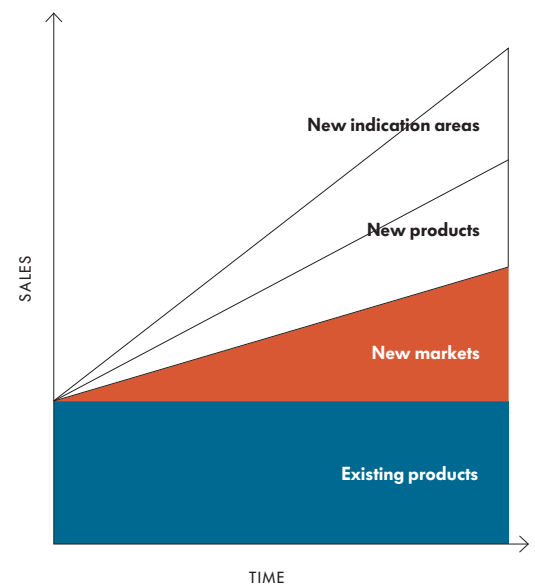
Probi's business model

Probi has its base in research and development with new product platforms for relevant fields of health being developed through clinical trials. Three areas have been commercialised to date. The platforms rest on excellent clinical documentation and are taken to a global market via Probi's two business areas: Consumer Healthcare, where the platforms are primarily included in various

Business model



Growth strategy



forms of dietary supplements, and Functional Food, where the platforms are included in a food product solution. Based on these three product platforms, Probi has reached in excess of 30 geographical markets to date.

The global market for probiotics is growing by between 5 and 10% annually and the US is showing the fastest growth at a rate of 10 to 20%. There is a great need for products with documented positive health effects. The factor underlying this development is accelerating worldwide interest in health products.

Technological advances resulting from probiotic and microbiome research have been rapid in recent years. Since tools are now in place to enable analyses of all the bacteria that exists in the intestines and how they interact with the body, Probi continuously receives many ideas for products about which the company can base new research and development.

Probi's growth strategy

The growth strategy comprises initiatives in the following three areas:

New markets

There is major potential for continued international growth. Probi wants to continue to launch products and cultivate new geographical markets and sees significant growth potential in, particularly, Asia, North America and South America. The focus for new markets in the near future is on China, India and Brazil. In the North American market, efforts to expand the number of sales channels continue.

New product platforms

To date, Probi has commercialised products in the fields of digestive health (Probi Digestis®), immune response (Probi Defendum®) and increased iron absorption (Probi FerroSorb®). The research strategy includes devel-

oping additional clinical platforms and Probi has a number of clinical projects under way with the aim of developing new platforms and improving existing ones.

The strategy also includes developing new product solutions based on the existing platforms. These could be target-group-adapted products in which, for example, probiotics are combined with vitamins or minerals.

New indication areas

A strong balance sheet enables Probi, either independently or through acquisitions, to study the possibility of developing new platforms in completely new indication areas. Probi already has a number of on-going clinical projects aimed at developing such areas.

Probiotic products are growing worldwide

The global market for probiotics and probiotic foods continues to grow. Assessments show that the market will be worth about USD 48 billion¹ in 2020.

The value of the total probiotics market is estimated at about USD 35 billion. Probiotic food accounts for some 90% of the market, consumer healthcare products for the remaining 10%.

The market for probiotic food ingredients, which includes functional food, is driven by the growing popularity of functional probiotic foods and beverages. Stress and poor diet are some of the underlying causes of indigestion, bloating and an underperforming immune system. Products containing probiotics can help to relieve these conditions.

The factors underlying this growing market include growing awareness of probiotic products, and confidence in their efficacy and safety. The global market for probiotic dietary ingredients is still in the developmental stage and is expected to continue growing for many years. People are becoming more health-conscious and focused on preventive healthcare, not least because medical care is becoming more expensive in many countries. In many Asian countries, population growth, a higher proportion of elderly people and rising disposable income are driving demand for functional foods and dietary supplements. This, in turn, is driving the market for probiotic ingredients. The probiotic market is expected to grow between 5 to 10% annually between 2015 and 2020.

The probiotics market is dominated by food products such as yoghurt and beverages. The global probiotic dietary supple-

ment market accounts for approximately 10% of the food market and, like probiotic foods, is expected to show favourable growth in the years ahead. Growth in probiotic dietary supplements is expected to be generally higher than for probiotic food products.

Overall, Asia is the largest market for probiotic products. Due to strong population growth combined with increasing prosperity, demand in Asia is expected to increase the most in coming years, with China and India at the forefront. Japan, the second-largest probiotics market in the world, is showing signs of maturity and is expected to grow at a more moderate rate.

In percentage terms, the US market has continued to show the fastest growth at about 10% annually (read more about the US market on page 32). Other rapidly growing, major markets are Brazil and Poland.

Due to continued restrictions on the use of health claims for probiotics in the EU, many players are hesitant towards marketing initiatives in the EU. In Europe, Germany and the UK account for about 45% of the overall market.

Lifestyle-related diseases pose greatest threat

Lifestyle-related diseases are rising sharply all over the world and pose one of the greatest threats to human health and development. These diseases include cardiovascular diseases, cancer, chronic respiratory diseases and diabetes and cause an estimated 35 million deaths each year, or nearly two-thirds of all deaths globally.

One of the main reasons for this trend is an unhealthy diet. The World Health Organization (WHO) claims that a major proportion of cardiovascular diseases, stroke and type 2 diabetes could be prevented with a healthier diet, a factor favouring sales of probiotic foods and beverages. The global health trend

is strong, and awareness of the health risks associated with unhealthy eating is rising.

Two business areas with varying market conditions

Probi markets its products in two business areas: Consumer Healthcare and Functional Food. The mechanisms and conditions in these markets vary, but they both share Probi's three basic technical platforms.

Consumer Healthcare

The Consumer Healthcare market has a variety of sales channels. Consumers can purchase the products in many different ways: at pharmacies, in healthfood stores and supermarkets, or have the products prescribed by a physician. In several markets, the products can also be purchased online or by mail order. The products are registered in various ways – as traditional dietary supplements or as registered products with distinct health claims.

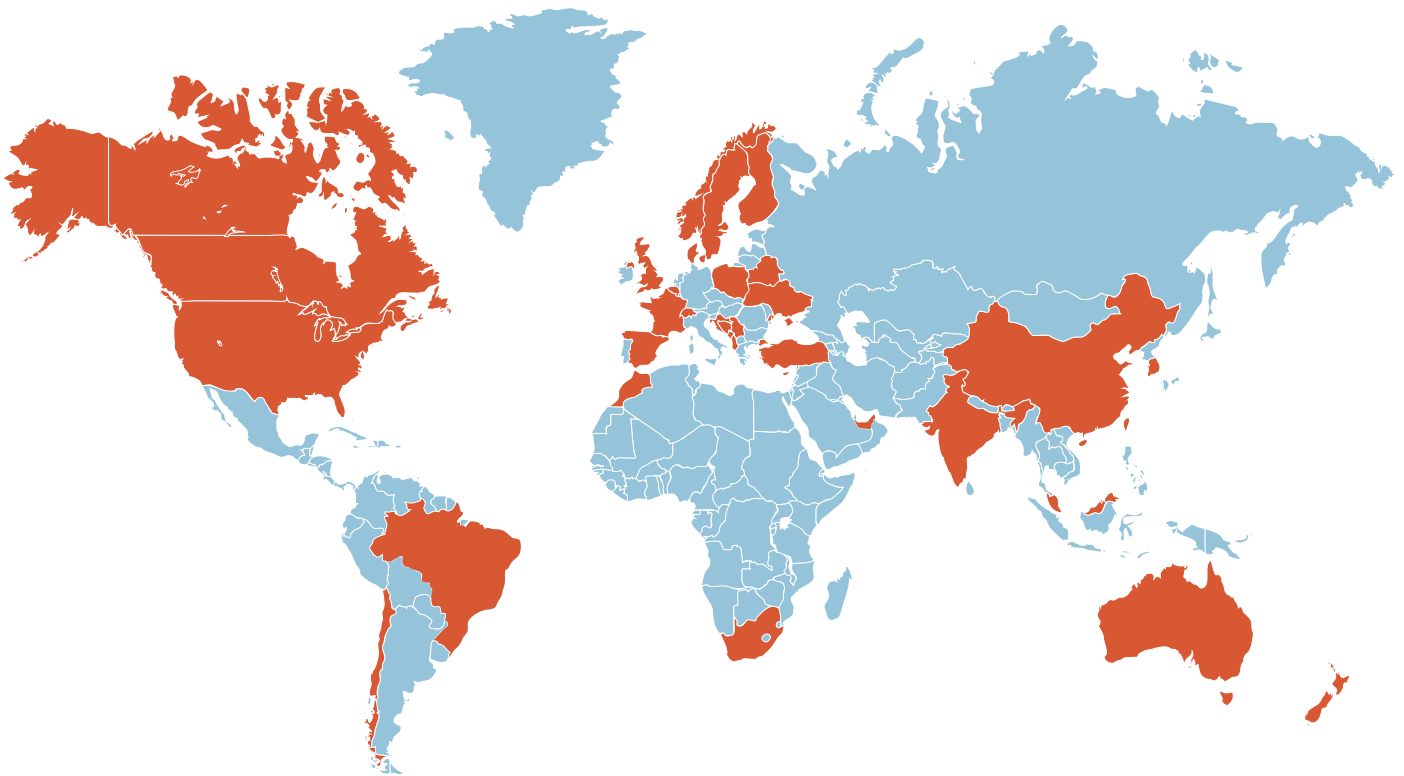
Functional Food

Functional Food can be described as a "business-to-business" market, in which Probi licenses the company's probiotics and technology. Probi has a strong position and offers a complete and difficult-to-copy concept, particularly in terms of scientific documentation and formulation expertise.

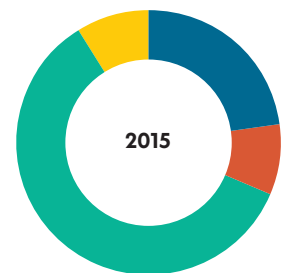
Probi is growing fast in the US

In 2015, the US became Probi's largest market, with revenue amounting to MSEK 132 (44), or 60% (32) of Probi's total revenue. Both NBTY and Pharmavite conducted extensive product launches featuring Probi's bacteria in 2015. In the Swedish home market – which is also Probi's second-largest market – revenue amounted to MSEK 51 (53) in 2015 and was dominated by royalty revenue from sales of ProViva. Other key markets for Probi are South Korea, Australia, Poland and France.

¹ Euromonitor



Geographic distribution of revenue



- Sweden MSEK 50.7
- Rest of Europe MSEK 18.7
- North America MSEK 132.1
- Rest of the world MSEK 19.2

Competitors

Probi's competitors include companies with the same business model as Probi, based on licensing solutions with distributors and sales of consumer-ready products, such as BioGaia and Valio. A number of players, such as Chr. Hansen and Danisco/DuPont, produce and sell bacteria cultures to other industry players as well as ready-made products. The market also includes major food companies, such as Danone and Yakult, which conduct their own probiotic research as well as some production.

“The major paradigm shift now taking place will dramatically increase the use of probiotics”



Peter Wennström

FOTO: DAN

The significance of probiotics has continued to grow since the 1980s, with a major upswing in the 1990s and 2000s virtually worldwide. Regulatory restrictions in Europe on health claims have slowed this development somewhat over the past few years, but the next big wave of probiotics is about to arrive.

“A paradigm shift is now taking place,” says Peter Wennström, founder of the international consultancy Healthy Marketing Team and leading marketing expert for functional food.

“When probiotics first entered the market, it was relatively easy for food producers to educate consumers in countries where yoghurt, in particular, and other fermented dairy products were common,” says Peter. “The use of friendly bacteria cultures was an established tradition and the decision to develop these products and make them even more nutritious by adding probiotic bacterial strains was a natural step.

“The meeting between food producers and probiotics research led to the idea of creating nutritious foods, functional food, such as when Probi created ProViva in partnership with Skånemejerier.

“BUT THIS DEVELOPMENT was held back by regulatory restrictions. Authorities could not decide how the health claims for products containing probiotics should be handled. They couldn’t decide whether the products

were a food substance or a medication. Companies reduced their efforts to educate consumers, which also led to somewhat lower demand.

“The trend that is currently taking shape is completely different. What we have seen to date is only the beginning of how probiotics will be used, merely ripples on the surface. The platform for the next big step is a fundamental paradigm shift that will completely change our view of food,” says Peter. “Food will no longer be something that just gives you energy. The realization that we can stay healthy ‘simply’ by eating the right food is growing.

“It’s about nutrition, meaning the nutrients contained by food and how they affect our body. Thus focus is shifted to the digestive system, how nutrients affect our body and what mechanisms are involved. This increases understanding of the role of diet in the prevention of global lifestyle-related diseases (cardiovascular diseases, diabetes 2, etc.) which, according to the WHO, are responsible for 60-70% of all deaths.”

NEW RESEARCH POINTS to the crucial role played by human microflora, or ‘microbiota,’ in human health and how the body absorbs nutrients. Studies have demonstrated a link between low microbiological diversity and the risk of developing various medical conditions, and how microbiota imbalance can cause various medical conditions.

“Now we are down in those parts of the body where our health is created,” says Peter. “A microbiome imbalance is the cause of many medical conditions. Modulation of the microbiome can prevent the onset of disease, or even slow and cure medical conditions. This can be done by eating right – by eating fermented products, or dietary supplements

containing probiotics. And knowledge about the exact bacterial strains that affect certain medical conditions is growing.”

PETER POINTS TO the renewed trend in fermented foods that is now growing stronger, and reviving consumer interest in friendly bacteria. Just look at how fermented vegetables are back on our plates, and the strong growth in new categories such as Kefir and Kombucha. Kombucha is literally bubbling with probiotics.

“The growth of probiotics and products that work together with our microbiome will be further stimulated by a dramatic reduction in social costs if people eat right, with fewer serious diseases as a result. The authorities will change their approach to certain foods. Those that are harmful to our health will be taxed – a trend we have already seen – while others that are beneficial will be subsidised. That also means that the authorities will have to change their approach to health claims for products containing, for example, probiotics. Health claims are an important link in consumer education. A positive side of the current regulatory restrictions in some markets is that probiotic stakeholders are forced to conduct much deeper research, which means that the understanding of the vital role that probiotics play in our health is based on a much firmer scientific basis.”

SO OVERALL, what does this development imply for probiotics?

“A short while ago, I was asked whether I could list the three dietary ingredients that would be the next big trend,” says Peter. “My reply was probiotics, probiotics and probiotics.”

Increased number of clinical trials

In 2015, new clinical trials commenced in Probi's existing product platforms and for totally new indications. A long-term research partnership was also initiated, and is gradually expected to result in several new probiotic products. During the year, *in vitro* trials to clarify the underlying mechanisms of health effects demonstrated by Probi's strains were also concluded.

Research and development into the company's own probiotic bacterial strains and their health benefits is the basis of Probi's commercial success. The process from initial idea to finished product takes about five years. Most of this time is used to conduct clinical trials in order to document that the bacteria can provide the desired health benefits. Current research also includes more basic trials to understand the underlying mechanisms of the positive effects of Probi's strains on health. Greater understanding of the existing strains and products increases the potential to develop products in the future with even better, or totally new, health benefits.

Increased iron absorption

Iron deficiency and low iron status are mainly prevalent in women of child-bearing age, both in the Western World and in developing countries. Iron deficiency can lead to iron deficiency anaemia, resulting in increased fatigue, lethargy, impaired cognition and a weaker immune response. Menstruating women need extra iron and often do not get enough iron and/or eat a diet with low iron

availability. Iron deficiency can cause the body to increase its iron intake, but not usually enough to keep pace with the body's demands. One alternative for people with iron deficiency is to take medication containing high potency iron. However, this often has side-effects such as gastrointestinal discomfort.

Two trials demonstrating that Probi's probiotics can increase iron absorption in women of child-bearing age were concluded in 2014. These trials were followed by a mechanistic study in 2015, showing how the increased uptake of iron in the intestines was due to a specific mechanism. A patent application for this mechanism has now been lodged.

Based on the positive iron absorption outcome, Probi established a new, third product platform in 2015, Probi FerroSorb®. Probi's iron product containing iron and *Lactobacillus plantarum* DSM 9843 is being launched in 2016, initially in Sweden during the first quarter.

Probi Mage and Probi Frisk

A great deal happening for ProbiMage

The major trial that commenced in the second half of 2014 with the aim of increasing knowledge and improving documentation of ProbiDigestis® (Probi Mage), will be finalised in the first half of 2016. A paediatric trial within the same product platform is planned and will commence in early 2016. The trial will study children who suffer from gastrointestinal disorders following antibiotic therapy, based on the findings from the previously conducted paediatric trial, in which no significant effect was achieved for the entire group, although those children who had previously suffered from diarrhoea after antibiotic therapy were helped by the treatment.

Another gastrointestinal trial is planned to commence in early 2016. The trial will be conducted by Lund University, Sweden,

and represent an entirely new method for demonstrating the positive effects of Probi Digestis® for digestive problems.

Probi Frisk: new paediatric trial commenced

Probi's major immune clinical trial has now entered its third and final season. The aim of the trial, which commenced in late 2013, is to deepen knowledge and improve documentation of Probi Defendum®. The objective was to conduct the trial during a winter season, but due to two consecutive mild winters there were not enough colds in the trial. The trial is scheduled to be finalised in the first half-year of 2016.

In 2015, a child immunity trial within the same product platform was initiated. The trial is based on findings from the trial that was discontinued in 2014, when the company contracted to perform the trial went bankrupt. Findings from the discontinued trial showed a favourable trend.

Osteoporosis

Osteoporosis is a serious health problem that is costly for society and severely disabling for those affected. In Sweden alone, about 70,000 fractures occur every year that may be linked to osteoporosis. Of women over the age of 65, an estimated 25% have already sustained one fracture. These women have a strongly increased risk of subsequent fractures later in life. It has already been shown that inflammatory intestinal disorders are associated with low bone mineral density, which also suggests a relationship between the digestive system and the skeletal system.

Two trials conducted in 2014 showed that a combination of three of Probi's strains led to reduced bone loss in mice, compared with a placebo. Based on these findings, Probi has planned a larger clinical trial in women aged between 60 and 65 years. The trial will continue for about 18 months and is expected to commence in the first quarter of 2016.



New areas

In the first quarter of 2015, a trial involving a totally new indication commenced at Skåne University Hospital. Sahlgrenska University Hospital in Gothenburg joined the trial in the fourth quarter of 2015, and Linköping is expected to join in 2016. This is a long-term trial and a first interim analysis of the primary endpoint is planned for early 2017.

Collaboration projects

In a development project run jointly with Symrise, Probi is assessing the potential for using probiotics in oral health products. The joint project commenced in early 2014 and proceeded as planned during the year.

Probi's research and development

Probi's research and development is organised in three sections: one that conducts clinical, applied research, one that works with product applications and product development and a discovery unit that works to define the long-term research that will lead to future product development in new fields. In 2015, a unit with overall responsibility for project management and the progress of Probi's development projects was added to the organisation.

Within the applied research, the clinical project managers study and clinically document the effect of bacteria on health. All

important analyses are performed in Probi's laboratory, which monitors international research in the field, and ensures that work practices comply with the latest recommendations and that the latest methods of analysis are applied.

The actual product is developed in the application and production development section. Different formulations are required for different products and matrices, such as beverages, tablets and capsules. Being able to guarantee the product's stability in a range of storage conditions is essential. Climate also influences the choice of packaging and packaging materials, since the end-product must be active when it reaches the consumer.

The Discovery unit looks far ahead into the research horizon to identify new and interesting development opportunities, and secure the company's future competitiveness through collaboration with internationally renowned academic research groups.

The new Project Management unit is responsible for ensuring that Probi has an effective process for both product development projects and more long-term research projects, with the ultimate objective of reducing time-to-market and improving quality in each project.

The total number of employees at Probi increased in 2015, with a focus on marketing

and sales. Research and development activities were also intensified in order to develop new probiotic strains, and to initiate clinical trials that strengthen existing strains. The new employees will make internal collaboration between marketing and sales and research and development more efficient, and further develop the project model used by Probi.

Next-generation probiotics

An important task in research and development is to monitor all new research in areas related to Probi's business. At the same time, continuing to build knowledge about the bacterial strains that are used today is also important, in order to better understand and document their effects. What is equally important is participating in the development of next-generation probiotic strains, strains that we don't even know exist today. In combination, these two approaches provide opportunities for developing next-generation products with additional health benefits, in both existing and new fields of health.

Metabolic diseases are one of these new exciting fields, triggering a great deal of activity in probiotics research. Metabolic diseases are increasing as other cultures embrace Western lifestyle patterns, and have evolved into a global epidemic. For example, some 300 million people worldwide now have type 2 diabetes, which was



previously known as adult-onset diabetes, but is affecting people of increasingly younger ages.

New studies point to the major differences between the microbiome – or intestinal flora – in healthy people, and those with metabolic diseases. Experiments have also shown that if intestinal flora is transferred from healthy individuals to individuals with impaired insulin sensitivity, which is a sign of early onset type 2-diabetes, their insulin sensitivity will improve. This suggests that it is possible to influence these diseases by using probiotic products, provided the right bacteria can be identified. Probi is working in these, and other exciting areas, in Discovery, a unit that also engages in continuous discussions with researchers worldwide to initiate new partnerships, and to share experiences and ideas.

In the first quarter of 2015, Probi initiated a new long-term research collaboration with Professor Michiel Kleerebezem from Host-Microbe Interactomics at Wageningen University in the Netherlands. The aim of the project is to clarify anti-inflammatory mechanisms of action for probiotics to enable the continued development of new and effective probiotic products.

Strong patent protection

Probi has strong patent protection for both single probiotic strains, and various food and dietary supplement applications. This means that Probi can license the rights to use these strains to other companies.

Probi has built an extensive portfolio of patents and brands, currently comprising 17 patent families of probiotic strains and their applications, with a total of 315 patents issued and 48 patent applications. Probi's most important commercial strain, Lp299v, is protected by 295 of the total 363 patents. The patents encompass countries including the US, Canada, the EU, Japan, China, South Korea, Brazil, Mexico and South Africa.

Probi's Scientific Advisory Board

Probi is assisted by a Scientific Advisory Board, comprising renowned researchers and physicians from a range of disciplines, and research areas of high relevance to Probi's future development. The role of the Advisory Board is to advise Probi's Board and management in research-related matters based on Probi's current research portfolio, and to provide recommendations for Probi's future research and product development.

The members of Probi's Scientific Advisory Board are:

JAN NILSSON (Chairman), Professor of Experimental Cardiovascular Research at Lund University, Sweden.

LARS GATENBECK, PhD doctor, Chairman and Director of several Life Science companies and organisations.

GLENN GIBSON, Professor of Food Microbiology at the University of Reading in the UK.

MARIA RESCIGNO, professor and head of the unit for Immunobiology of Dendritic Cells and Immunotherapy at the European Institute of Oncology in Milano, Italy.

HENRIK VESTERGAARD, Associate Professor at the Novo Nordisk Foundation Center for Basic Metabolic Research in Copenhagen, Denmark.

HANS WIGZELL, Professor Emeritus in Immunology, Karolinska University Hospital, Stockholm.

Probi's Scientific Advisory Board held two meetings in 2015. Individual Advisory Board members also participated in discussions, and the planning of new scientific studies.

Publications in 2015

In 2015, seven research studies based on Probi's probiotic strains were published in scientific journals. These studies demonstrate the following:

- The absorption of iron from a fruit drink containing LP299V® increased 50%.
- Reduced incidence of *Clostridium difficile* infection in high-risk patients following antibiotic therapy, when the patients were given LP299V®.

Publications with Lp299v

Influence of sub-lethal stresses on the survival of lactic acid bacteria after spray-drying in orange juice. Barbosa J, Borges S, Teixeira P. (2015) *Food Microbiol.* 52:77-83. doi: 10.1016/j.fm.2015.06.010. Epub 2015 Jun 30.

Probiotic Properties of Leuconostoc mesenteroides Isolated from Aguamiel of Agave salmiana. Diana CR, Humberto HS, Jorge YF

(2015) *Probiotics Antimicrob Proteins.* 2015; 7(2):107-17. doi:10.1007/s12602-015-9187-5.

Oral administration of Lactobacillus plantarum 299v modulates gene expression in the ileum of pigs: prediction of crosstalk between intestinal immune cells and sub-mucosal adipocytes. Hulst M, Gross G, Liu Y, Hoekman A, Niewold T, van der Meulen J, Smits M. *Genes Nutr.* 2015;10(3):461. doi: 10.1007/s12263-015-0461-7. Epub 2015 Apr 11.

Effects of probiotic intake and gender on nontyphoid salmonella infection. Lönnermark E, Lappas G, Friman V, Wold AE, Backhaus E, Adlerberth I. *J Clin Gastroenterol.* 2015 Feb;49(2):116-23. doi: 10.1097/MCG.000000000000120.

The Effect of Lactobacillus plantarum 299v on the Incidence of Clostridium difficile Infection in High Risk Patients Treated with Antibiotics.

Kujawa-Szewieczek A, Adamczak M, Kwiecień K, Dudzicz S, Gazda M, Więcek A. *Nutrients.* 2015; 4;7(12):10179-88. doi: 10.3390/nu7125526.

Probiotic strain Lactobacillus plantarum 299v increases iron absorption from an iron-supplemented fruit drink: a double-isotope crossover single-blind study in women of reproductive age. Hoppe M, Önnings G, Berggren A, Hulthén L. *British Journal of Nutrition* (2015) 28;114(8):1195-202. doi: 10.1017/S000711451500241X

Publications with LpHeal19

Oral and faecal microbiota in volunteers with hypertension in a double blind, randomized placebo controlled trial with probiotics and fermented bilberries. Jie Xu, Irini Lazou Ahrén, Crister Olsson, Bengt Jeppsson, Siv Ahrné, Göran Molin. *Journal of Functional Foods* (2015) 18: 275–288.

North America continues to grow

2015 was yet another strong year in the US. In the first half of 2015, Probi delivered considerable volumes for the products initially launched by NBTY in the late-autumn of 2014, mainly under the Nature's Bounty brand. At the end of the second quarter, a relaunch commenced of the large volume item Nature's Bounty Probiotic 10, in which NBTY replaced three existing bacterial strains with probiotics from Probi.

Probiotic 10, which now contains both Probi Digestis® and Probi Defendum®, was already a high-volume product before Probi assisted with the upgrade. The relaunch commenced in summer 2015 in the major Costco chain, with exposure in Costco's own units. During the autumn, the product was gradually phased into distribution to other chains. A gradual relaunch has been implemented in various distribution channels, and additional expansion of distribution is currently under way.

The second major activity was attributable to Pharmavite, with the aim of strength-

ening its probiotics position in the US market, and the company launched a wider range of products under the Nature Made brand. Probi also delivered substantial volumes to Pharmavite in the autumn of 2014 and spring of 2015, to build up supplies prior to an extensive launch. Probi does not consider this launch as successful as expected. Pharmavite is planning to rework the offering in preparation for new initiatives in the future. The partnership with Pharmavite represents continued high volumes for Probi.

Despite already broad market coverage in the US, Probi is working consistently and strategically to create partnerships in North America with pharmaceutical or OTC companies. The aim is to establish a strong position in the digestive health section of US pharmacies.

Probi also intends to launch additional new products in the US, including the new Probi FerroSorb® platform. Probi is also continuing its strategic marketing partnership with Viva 5. Business development by Probi is taking place in parallel with this partnership.

Another strategically interesting channel in which Probi currently has no sales is DTC, Direct To Consumer, which includes TV-based home shopping, network sales and similar. Probi has long considered this channel ideally suited to sales of probiotic products.

NextFoods, Probi's functional food customer in the US, performed well also in 2015.

Sales are growing organically by 25 to 30% annually, the result of broader distribution to additional sales channels. Following very strong performance in the healthfood channel, NextFoods is now beginning to move into traditional supermarkets. The company's beverage range, GoodBelly, will now become more of a traditional consumer product. Although distribution was the focus in 2015, NextFoods has also been preparing itself through product development work with Probi. As a result, a number of new launches will take place in 2016, some of them highly innovative. Dietary supplements were also launched under the GoodBelly brand during 2015.

Successful launch in Canada

Jamieson in Canada conducted a successful launch of a product featuring Probi's probiotics in 2015. The product, Jamieson Digestive Care™ Daily Relief, is mainly sold by pharmacies, but also by supermarkets. After just a few months, the product was the third best-selling probiotic product in the market. Probi will strengthen its partnership with Jamieson in 2016. Probiotics are growing rapidly in Canada, which with a number of probiotics producers is now becoming a mature market. The country has a well-functioning regulatory system for approval of health claims.



SALE

SALE

SALE

SALE

SALE

SALE

SALE

SALE

can't find what you're looking for?

Special order it!

can't find what you're looking for?

Consumer Healthcare business area

Launch of a third platform, Probi FerroSorb®

In 2015, sales in Consumer Healthcare showed a highly positive trend. The US also grew rapidly in 2015 and was the business area's single most important driver during the year. The partnership with Jamieson in Canada also developed favourably.

Probi consolidated its strategically significant partnerships in the US with NBTY, a key player in 2015, and with Pharmavite, which conducted a major launch during the summer when the company broadened its product offering.

Probi's partner in Canada, Jamieson, succeeded with its registrations, received approval for its health claims and launched products containing Probi's probiotics. Jamieson is a highly professional player and the company implemented a well-structured initiative with strong marketing material, including television advertising.

Third product platform launched

A very important step during the year was the launch of Probi's third product platform, Probi FerroSorb, which demonstrates how Probi's probiotics increase the capacity to absorb iron in a new and unique manner. Probi FerroSorb was introduced at Probi's conference with business partners and customers in June.

The first launch of a product based on Probi FerroSorb is taking place in Sweden during the first quarter of 2016. In other markets, Probi is currently focusing on selling-in the new platform and there has been a great deal of interest. The launch of Probi FerroSorb demonstrates Probi's sustained strength as a research company, and that

probiotics are effective for more indications than digestive health and immune system support.

In 2015, the business area strengthened its marketing and sales organisation, enabling resources for broader and more proactive marketing strategies. The expanded organisation has released strategic capacity in the business area, creating conditions for more long-term marketing efforts.

Europe

Despite an already strong and leading market position in the Swedish market for probiotic dietary supplements, Probi's market share continued to grow, and was 54% for the July 2014-June 2015 period according to GfK MedicScope. Sales in Poland continued to rise stably with annual growth of 20-25%. Probi is thus becoming a relatively large player in the highly competitive Polish market. The business area is planning to expand its initiatives in other selected European markets, and Spain and Italy could be attractive in the near future.

Although Europe has not been a priority region in recent years due to the uncertain regulatory situation in the EU, the expanded organisation has enabled Probi to focus more actively on the European market.

Africa and the Middle East

The business area was also able to focus more systematically and proactively on Africa and the Middle East during the year. The launch activities in Dubai in 2014 have been followed by several interesting initiatives in the Middle East. Probi already has one established partnership in South Africa, and the business area is now looking into the possibility of partnerships in other African countries.

Asia

A number of launches were conducted in Asia, some of them in partnership with Sanofi

in South Korea. In collaboration with Probi, the company developed a special product for children that was launched in the retail market under the Cenovis Superbiotics brand. The product is delivered as a stick pack containing a combination of probiotics and prebiotics. This demonstrates that the use of probiotics is broadening in terms of both indications and age. South Korea's leading OTC company, Dongkook, also launched Probi Mage Plus – containing Probi's LP299V® – in the pharmacy channel.

Probi Digestis was launched in Hong Kong in late 2014. The launch was conducted under the Bio-Life brand, part of the DKSH Group. Probi has an established partnership with Bio-Life in Malaysia, and the launch there in 2013 was considered one of the most successful ever undertaken by Bio-Life. A similar product is currently being registered in several countries throughout the region. In Australia, Health World launched Probi's immunity booster product in 2014. The launch was highly successful and the product continues to show strong sales growth.

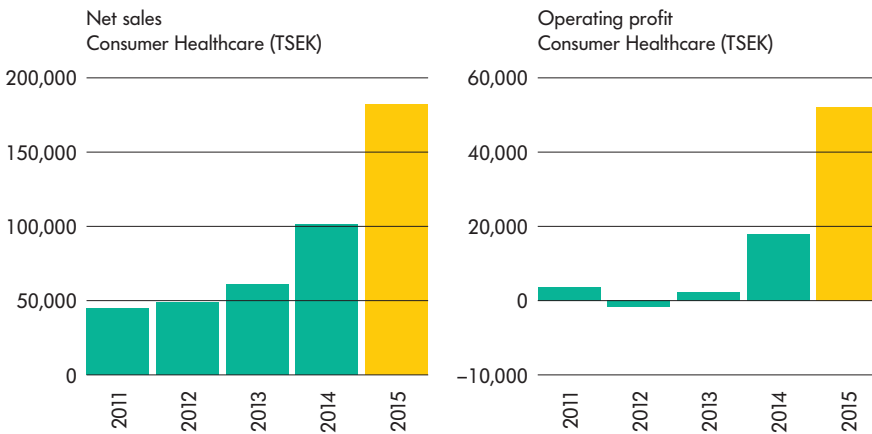
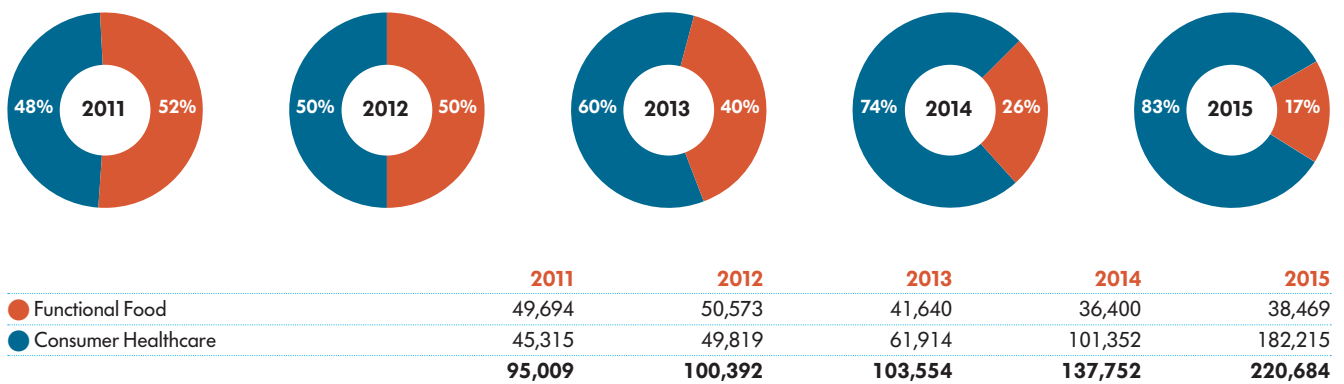
China is a key market and Probi is engaged in a number of exciting discussions that the business area will continue to work on and develop.

South America

The business area is also intensifying its analyses of South American countries, where discussions are ongoing in all major markets. Business development and product registrations are in progress, processes that can sometimes be time consuming.

In Brazil, a product registration was filed in 2015, and a partnership agreement is in place. In Chile, Probi's bacterial strains are sold by Lallemand and the German company Merck under the brand BionTransit, the same brand used in France and Belgium.

Share of Group revenue (% and KSEK)



Consumer Healthcare business area

The Consumer Healthcare business area develops, markets and sells Probi probiotics in partnership with pharmaceutical companies and other companies specialised in probiotics and self-care products, under Probi's proprietary brand or those of partners.

The products are mainly sold as capsules, chewable tablets or dose sachets, with a regulatory status as either food or consumer pharmaceuticals depending on the market. Probi has agreements in some 35 markets and predicts keen international interest in premium probiotic products.

Customers in Consumer Healthcare include NBTY and Pharmavite in the US, Sanofi and Dongkook in South Korea, Lallemand in France/Canada, Bringwell in the Nordic region, Sanum Polska in Poland, Metagenics/Health World in Australia/US, Vifor in Switzerland, Camox Pharmaceuticals in South Africa, Bio-Life in Malaysia/Hong Kong, Laboratório Daudt in Brazil and Jamieson in Canada.

서울우유

MilkLabX

프로바이오틱스

살아있는 유산균이 우유

MilkLabX

서울우유

서울우유

MilkLabX

MilkLabX

서울우유

서울우유

MilkLabX

MilkLabX



서울우유

MilkLabX
우유보다 당신을 먼저 연구함

프로바이오틱스
우유

ROB
살아있는



스 우유
속에 그대로

- 장 건강에 도움
- 간편한 섭취

MilkLabX "프로바이오틱스" 우유

위산에 강한 유산균이 장까지 살아
장 건강에 도움을 주
특허받은 유산균



스웨덴 1위 Probi
프로바이오틱스



Functional Food business area

Key strategic order in South Korea

In 2015, the business area signed its first agreement for probiotic dairy products. Probi's LP299V® bacterial strain was included in the product range of Seoul Milk of South Korea. The launch was conducted in the South Korean market in late 2015.

Seoul Dairy Cooperative comprises 1,750 dairy farmers and is the largest dairy product supplier in South Korea. In total, the company produces 2,000 tonnes of raw milk per day. In addition to dairy products, Seoul Milk supplies fruit juices and other types of beverages.

Launching a food product containing Probi's probiotics in the growing Asian market is a key strategic step for the business area. The South Korean order represents a breakthrough in many ways. It is creating international interest in Probi in the area of functional food and is helping to develop a key geographic market with major potential.

Applications technology is also being established, meaning the method by which Probi's probiotics are added to the customer's end product. These are key parameters and provide points of reference for work with new customers.

Renewed growth in the market for chilled juice

The Functional Food business area has long been established in Sweden, Finland and the US. Following a negative period, the Swedish market for chilled juice started to grow again in 2015. ProViva also strengthened its market share in Sweden, with sales growth mainly driven by range changes and new consumer communication. GoodBelly, which is sold by NextFoods, performed favourably in the US market, where the popularity of probiotic products continues to grow. New products in On-the-Go Packaging, new sales channels and creative marketing activities contributed to this success.

Probi is now increasing its focus on business development in functional food in Asia Pacific, which is an attractive area for expansion due to its high consumer acceptance of probiotics. A key objective in coming years is

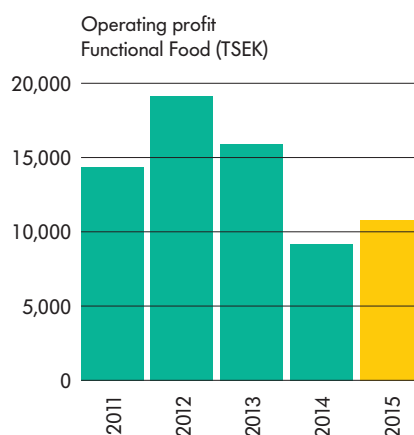
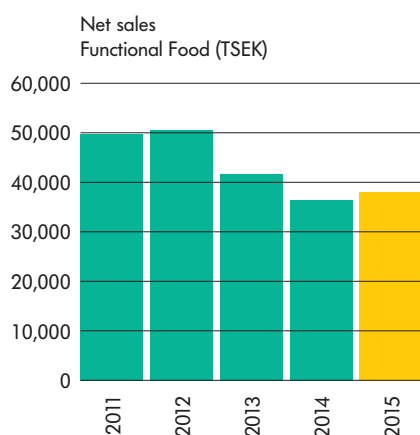
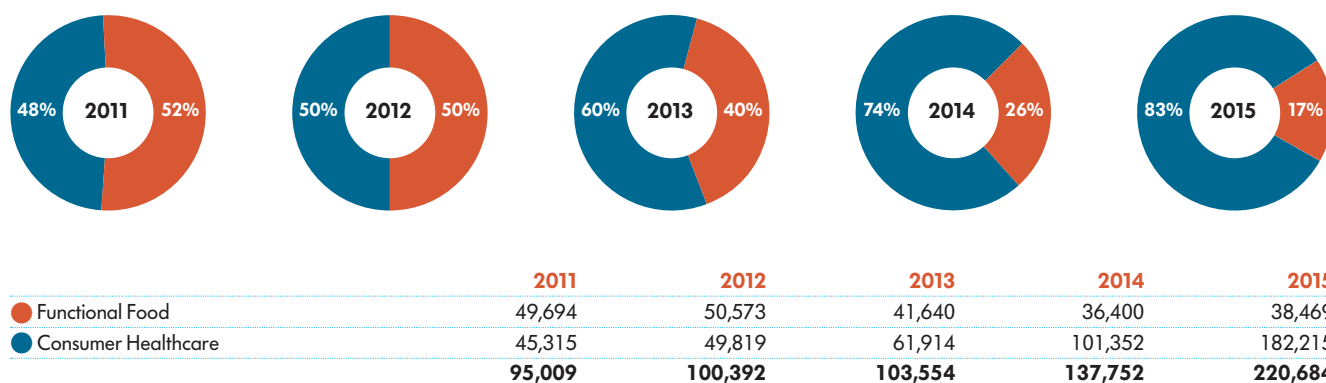
to significantly broaden the company's geographic presence. In general, there is a huge global interest in probiotics and Probi sees major potential for broadening their use in functional foods.

Focus on markets with health interest

Probi's activities in this business area focus on markets showing a strong interest in health and that have a favourable infrastructure for probiotics. The weak trend in Europe has continued due to the restrictive legislation on health claims in the EU. However, the interest in probiotic foods has shown a very strong trend in several markets in North and South America, and in Asia.

In 2015, resources in Functional Food were expanded in both sales and development, creating conditions for more proactive marketing. The business area is now focusing on developing more in-depth knowledge of the various applications in which Probi's strains are most effective. While many prospective customers are dairy companies, Probi's offering also works well outside the dairy industry, since the company's bacterial strains are robust and capable of more demanding product solutions.

Share of Group revenue (% and KSEK)



Functional Food business area

The Functional Food business area develops food that provides beneficial health effects. This development takes place in partnership with leading food companies, in order to commercialise and market products with high volume potential.

In Functional Food, Probi works with a licensing model and receives royalty revenue. Probiotics have a strong tradition in dairy products. Through ProViva, Probi has demonstrated that probiotics are also well suited to fruit drinks and juices. Customers that use Probi's probiotics in their own products are Danone (ProViva AB) in Sweden, NextFoods in the US and Seoul Dairy in South Korea.

Sharp increase in number of employees – focus on marketing and sales

In 2015, the number of Probi employees rose from 27 to 37, an increase of nearly 40%. This is the first time that Probi has employed so many people in such a short time, which has affected the company in many ways. Both the recruitment process and the phasing-in of new employees were prioritised activities in the company.

The largest number of new employees were recruited for marketing and sales. This has created opportunities for proactive marketing in additional geographic regions, as well as more long-term and strategic marketing activities. Research and development was also strengthened, mainly to accelerate the development of novel bacterial strains and new product platforms and products, but also to focus on further strengthening the documentation of existing strains.

In early 2016, Probi adapted the organisation to meet the growing number of customers and increasing share of goods sold. This was achieved by gathering logistics, production, quality issues and customisations under a new unit, Operations. Probi has simultaneously extended its Management Group with the addition of Linda Neckmar, who is now responsible for Operations. Linda Neckmar has been Head of Probi's Consumer Healthcare business area since 2011.

Probi's personnel policy

Probi aims to offer a dynamic and open environment, in which employees have a high degree of responsibility, and opportunities for development are considerable. In 2015, Probi continued to work with the core values underlying the company's culture.

Probi's operations are based on the following values:

Credibility

We keep our promises and our products live up to what we say. We are experts in our field. Our reputation as a serious player in the industry is rock solid.

Dedication

Our work involves research and products that improve health. We never look for the easiest route but always take one step extra to make sure we succeed. Our business model is flexible; we help our customers surpass their expectations.

Courage

We dare to try new routes by challenging ourselves and established ways of thinking. We break new ground and establish partnerships with world-leading companies. Our research takes on the most difficult challenges in our field.

Curiosity

By studying new fields, we find new solutions. We always want to move on and acquire new knowledge of how our products can improve human health. We always want to learn more about our customers' needs so

that we can jointly develop new business solutions.

Clarity

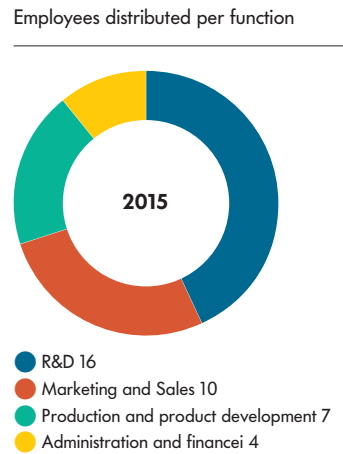
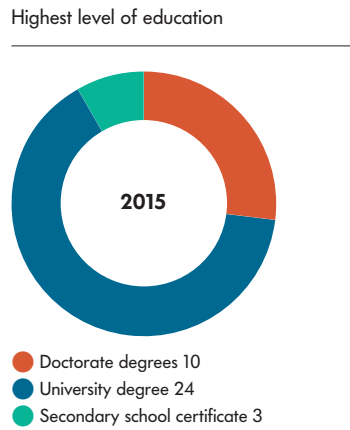
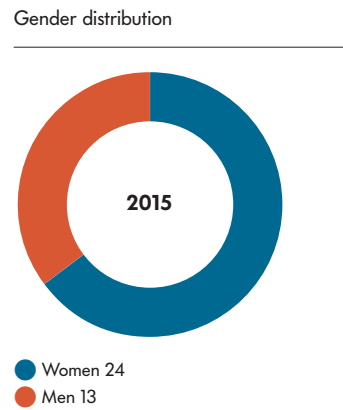
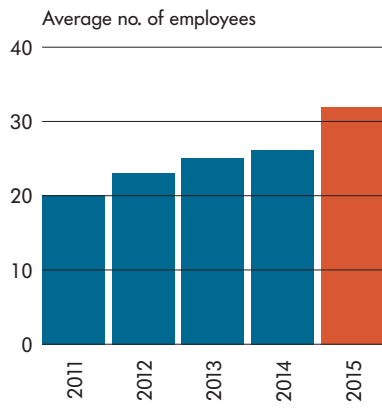
Our messages are straightforward and we define our goals clearly. We explain where the company is heading and tell things as they are, both to each other and to our business partners.

These five words are ever-present for our employees. If someone is faced with a major decision but hesitates, another person in the team could say: "Remember that courage is one of our values" – and they will feel less hesitant.

Very high score in employee satisfaction survey

Probi conducted an employee satisfaction survey during the year, similar to the survey performed in 2013. The overall score was very high. This shows that Probi's work environment is appreciated throughout the organisation and offers a solid foundation for the future. The scores were higher than in 2013.

The results also show that Probi has an organisation with many dedicated employees – an indication of energy and clarity. The index that measures whether employees would recommend the company as a workplace was also very high, and higher than in 2013.





“Probi really is a welcoming company”

Fabian Skärvad, Business Development, Functional Food

Fabian Skärvad works with business development in the Functional Food business area. He has extensive experience in international sales after 15 years at Ericsson.

“When Probi decided to focus on Functional Food, it was only natural that more employees would be needed in marketing,” says Fabian. “With such a huge market and range of opportunities, you have to be strategic and selective – and that’s exactly what I have been employed to do. I define the customers we should be targeting, and why.

“This was a new and exciting step for me. I moved to a totally new sector – and from Ericsson, which is a gigantic company, to Probi with 37 employees. Everyone helps each other. We are all prepared to take on anything – from highly qualified tasks, to the simplest office chores. I feel inspired by a diverse workplace.

“I grew up in Lund, studied here and know Probi well. I am also a consumer and have drunk ProViva and eaten Probi Frisk. Probi is a welcoming company in a rapidly growing industry, and sales have increased dramatically over the past few years. A lot of people would like to work here, and the recruitment process was meticulous.”

Anna Andrys, specialist in production and application development

Anna Andrys works in the Functional Food business area to develop Probi’s potential in liquid foods, such as beverages and yoghurt. Anna has a long and extensive background in the dairy industry and was formerly employed as facility manager at a dairy New Zealand.

“You could probably say that my work revolves around identifying the most effective and tastiest way for people to consume Probi’s probiotics,” says Anna. “It requires a lot of collaboration with customers to ensure that the probiotics can ‘survive’ the customer’s various production stages, as well as the distribution chain.

“Moving from New Zealand to Lund might sound like a huge step, but it wasn’t really. I studied at LTH in Lund and then worked at Tetra Pak for a couple of years before moving to New Zealand. I started feeling like I wanted to come back to Sweden. I had a very positive view of Probi from when I was at LTH. I saw the ad and thought the position was perfect for me with my background.

“The employment process was super-modern, with all interviews conducted over Skype. I was recruited last summer and the job has exceeded my expectations. Probi and its business activities are extremely inspiring, the employees are dedicated and open, everyone speaks to everyone and all ideas are taken seriously.

“Everyone is extremely dedicated and involved”

“A down-to-earth approach and genuine interest”

Titti Niskanen, Clinical Project Leader

Titti Niskanen works with project management and has vast experience from various research and development positions in the pharmaceutical industry.

“I saw that Probi was looking for people. I know the company well and already had a very positive view,” says Titti. “But the position didn’t really suit me. After discussions with the company, I was offered a position that was perfect for me.

“Optimising projects is where my strength lies. I develop a format that everyone in the company recognises: ‘This is how we run our projects at Probi.’ The project activities should be effective, and the objectives achieved faster and more reliably at the lowest possible cost.

“What attracted me most to the actual position was managing to include a greater share of marketing features in my everyday work, which I missed in my previous job. As a researcher, it’s easy to lose your way and focus on all kinds of research ideas, instead of concentrating on the market.

“Probi is a unique company – and even better than I thought. Employees are down-to-earth, open and genuinely interested in the products and how the company is progressing.”

The share

Listing

Probi has been listed on Nasdaq OMX Stockholm since 2004, and is traded under the PROB ticker. Probi is traded in the Small Cap segment, which consists of small companies with market capitalisation of up to MEUR 150. Probi belongs to the Health Care and Pharmaceuticals & Biotechnology sectors.

Share capital

Probi's share capital remained unchanged in 2015 and amounted to SEK 46,826,500 (46,826,500), represented by 9,365,300 shares. Each share carries the right to one vote and the same rights to a share in the company's assets and profit. The quotient value of the share is SEK 5.

Ownership

At 31 December 2015, the number of registered shareholders was 3,884, compared with 3,332 at 31 December 2014. Of the total number of shares, institutional ownership accounted for 80.1% (78.9), private shareholders for 19.9% (21.1) and foreign shareholders 59.8% (59.3). Europe accounts for the largest proportion of shares held by foreign owners, corresponding to 58.6% (59.2) of the total number of shares. Probi's

principal owner, Symrise AG, held 50.0% of the capital and 51.4% of the voting rights at year-end. Symrise AG treats Probi AB as a subsidiary in its consolidated financial statements and consolidates the company in full.

Holding of treasury shares

At year-end, Probi held 250,000 treasury shares, with a quotient value of SEK 5 per share, corresponding to 2.7% of the total number of shares. The shares were acquired in 2011 for MSEK 11.8. No shares were bought back during 2012-2015.

Share performance

In 2015, Probi's share price rose 130% and was listed at a closing price of SEK 141.50 (61.50) at year-end. OMX Stockholm PI rose 7% during the year. The highest and lowest prices in 2015 were SEK 175.00 (62.00) and SEK 59.50 (37.20), respectively. On 31 December 2015, Probi's market capitalisation was MSEK 1,290 (561). During 2015, 3,101,057 (1,878,269) Probi shares were traded on Nasdaq Stockholm, corresponding to 34% (20) of the total number of shares outstanding. The average turnover of shares per trading day was 12,355 (7,543).

Dividend policy

In future, the dividend will be based on Probi's earnings level and financial position, as well as requirements for the financing of available investment opportunities. On an annual basis, the Board will evaluate the potential to pay a dividend and, in so doing, will balance the shareholders' expectations of a reasonable dividend yield with the company's needs to self-finance its continued growth and expansion.

The Board of Directors and the CEO propose to the 2016 Annual General Meeting that the company pay a dividend of SEK 1.00 per share (0.85). This entails a total dividend of MSEK 9.1 (7.7), and the proposal is that the Parent Company's remaining retained earnings of MSEK 106.9 be carried forward. The proposed dividend represents 19% of consolidated profit after tax for 2015.

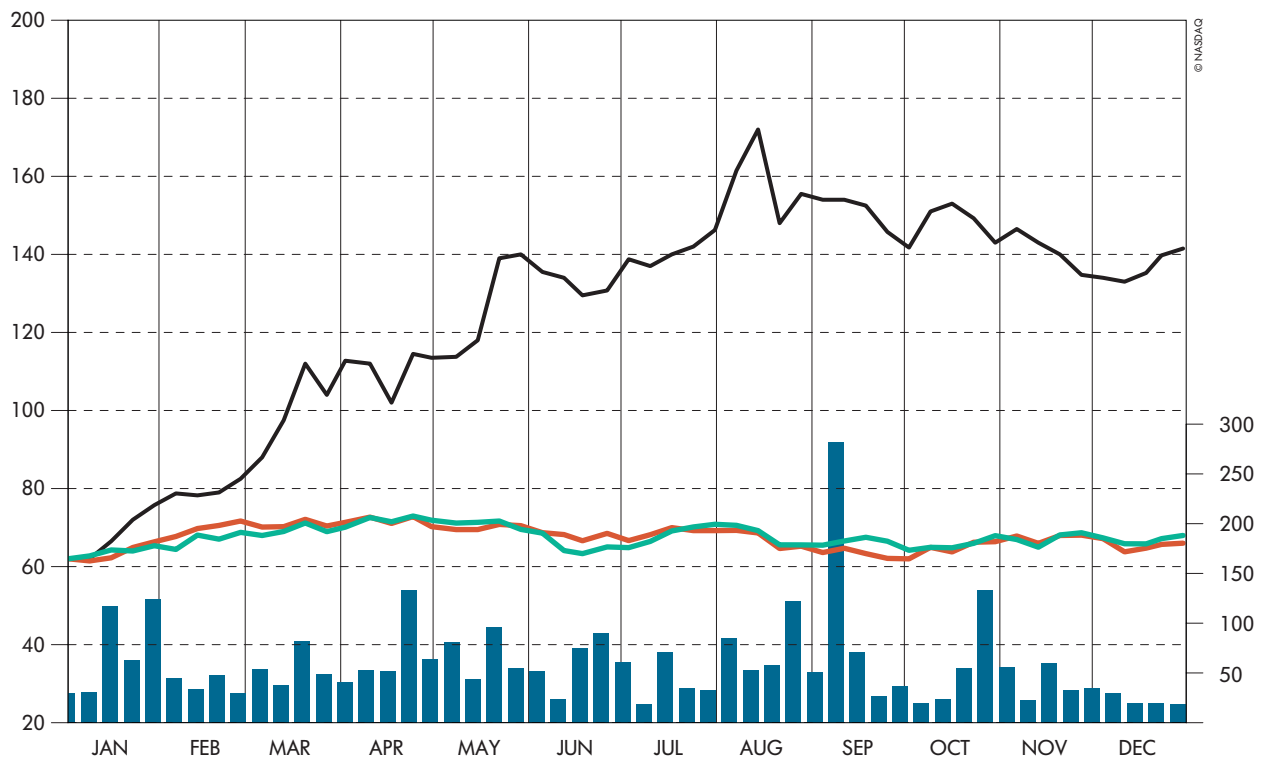
Options programme

Probi has no outstanding convertible loans and no outstanding warrants.

The share 2011–2015



The share 2015



- No. of shares traded 000s
- The share
- OMX Stockholm PI
- OMX Stockholm Pharmaceuticals and Biotechnology PI

Share capital development

Event	Year	Issue price	Increase in no. of shares	Total no. of shares	Par value of share	Increase in share capital	Share capital
Establishment	1991		500	500	100	50,000	50,000
Bonus issue 1:1	1997		500	1,000	100	50,000	100,000
Targeted issue ¹	1997		150	1,150	100	15,000	115,000
Split 100:1	1997		113,850	115,000	1	—	115,000
Bonus issue 34:1	1998		3,910,000	4,025,000	1	3,910,000	4,025,000
Targeted issue ²	1998		1,006,250	5,031,250	1	1,006,250	5,031,250
Bonus issue 15:10	1998		7,546,875	12,578,125	1	7,546,875	12,578,125
Targeted issue ³	1998	12	1,721,875	14,300,000	1	1,721,875	14,300,000
Bonus issue 13:10	1998		18,590,000	32,890,000	1	18,590,000	32,890,000
Rights issue	2000	10	8,222,500	41,112,500	1	8,222,500	41,112,500
Reverse split 5:1	2004		—	8,222,500	5	—	41,112,500
New issue	2004		1,142,800	9,365,300	5	5,714,000	46,826,500

¹ Issue targeted to the founders and senior executives.

² Issue targeted to Skånemejerier's owner group and to Probi AB.

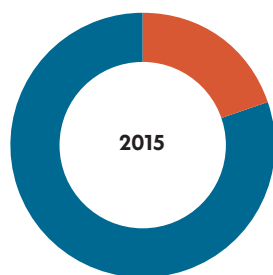
³ Issue targeted to shareholders in Skånemejerier, employees of Probi and Skånemejerier and certain other related parties.

Shareholders

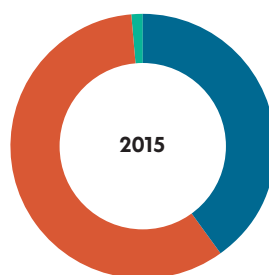
	No. of Series A shares	Share of capital (%)	Proportion of votes (%)
Symrise AG	4,686,040	50.0	51.4
Swedbank Robur fonder	650,050	6.9	7.1
Fourth Swedish National Pension Fund	541,318	5.8	6.0
Handelsbanken Fonder	393,898	4.2	4.3
Probi AB	250,000	2.7	0.0
Avanza pension	165,123	1.8	1.8
Göran Molin med bolag	94,953	1.0	1.0
Solveig Johannesson	81,000	0.9	0.9
Caceis BL / EDR (Europe) /Clients	68,484	0.7	0.8
Lena Vareman	61,489	0.7	0.7
Other	2,372,945	25.3	26.0
Total	9,365,300	100.0	100.0

Holding per shareholder

Share distribution	No. of shareholders	No. of shares	Proportion of shares (%)
1 – 500	3,108	441,842	4.7
501 – 1,000	401	310,892	3.3
1,001 – 5,000	298	671,383	7.2
5,001 – 10,000	40	294,021	3.2
10,001 – 15,000	8	95,626	1.0
15,001 – 20,000	5	94,730	1.0
20,001 –	24	7,456,806	79.6
Total	3,884	9,365,300	100,0

Distribution institutional/legal entities
– private owners (no. of shares)

● Legal entities 80.1%
● Physical persons 19.9%

Distribution Swedish–foreign shareholders
(no. of shares)

● Sweden 40.2%
● Rest of Europe 58.6%
● Rest of the world 1.2%

Five-year summary

Per-share data					
	2015	2014	2013	2012	2011
No. of shares on 31 Dec., 000s	9,365	9,365	9,365	9,365	9,365
Earnings per share, SEK	5.38	2.39	1.65	1.48	1.54
Shareholders' equity per share, SEK	20.54	16.01	14.37	13.47	12.74
Cash flow per share, SEK	3.82	1.85	0.44	1.22	-1.49
Share price on 31 Dec. (closing price, SEK)	141.50	61.50	39.50	44.40	52.50
Price/Equity ratio per share, multiple	6.89	3.84	2.75	3.30	4.10
P/E ratio, multiple	26.30	25.73	23.94	30.00	34.09
Dividend, SEK/share	1.00 ¹	0.85	0.75	0.75	0.75
Market capitalisation on 31 Dec., KSEK	1,289,815	560,591	360,054	404,719	491,678

¹ The Board's proposal to the Annual General Meeting on 27 April 2016.

Income statement in summary					
	2015	2014	2013	2012	2011
Net sales, Functional Food	38,144	36,100	41,265	50,442	49,379
Net sales, Consumer Healthcare	177,567	99,142	60,945	49,120	45,000
Other revenue	4,973	2,510	1,344	830	630
Total operating revenue	220,684	137,752	103,554	100,392	95,009
EBITDA	69,244	36,208	23,077	23,560	26,744
Operating profit	63,068	27,049	18,143	17,209	17,797
Income for the year	49,035	21,765	15,045	13,505	14,193
Equity	187,239	145,953	131,025	122,816	116,149
Cash and cash equivalents	143,024	108,181	91,301	87,285	76,202

Key ratios					
	2015	2014	2013	2012	2011
EBITDA margin, % ¹	32.1	26.8	22.6	23.7	28.3
Operating margin, % ²	29.2	20.0	17.8	17.3	18.9
Equity ratio, %	82.2	82.9	87.5	89.8	89.7
Debt/equity ratio, %	0.0	0.0	0.0	0.0	0.0
Return on capital employed, %	39.8	20.4	15.6	16.1	16.7
Return on equity, %	37.9	20.3	15.4	15.3	16.3
Liquid ratio, %	432	460	628	933	778
R&D expenses as part of operating income, %	13	16	19	18	18
Average no of employees	32	26	25	23	20

¹ EBITDA as a percentage of net sales

² Operating income as a percentage of net sales

Probi AB (publ)

**Annual Report and consolidated financial statements
for 2015 financial year**

Directors' report

The Board of Directors and the CEO of Probi Aktiebolag (publ) with its registered office in Lund, Sweden, Corporate Registration Number 556417-7540, hereby present the annual accounts and consolidated financial statements for 2015.

Address: Ideon Gamma 1, SE-223 70 Lund, Sweden.

Probi's shares are listed on Nasdaq OMX Stockholm.

Probi was founded in 1991 and is a leading player in probiotics research and the development of effective and well-documented probiotics. The company's research is conducted using living microorganisms with scientifically proven health benefits. The fields of research include gastrointestinal health, the immune system, the metabolic syndrome and stress and performance recovery. Probi's customers are leading companies active in the Consumer Healthcare and Functional Food business areas.

Significant events

- Record-large MSEK 17 order from US company NBTY was delivered in the first quarter, whereby bacteria from Probi were used to replace three bacterial strains in the product Nature's Bounty Probiotic 10.
- Long-term research collaboration entered into with Professor Michiel Kleerebezem, Wageningen University in the Netherlands. The aim of the project is to clarify the anti-inflammatory mechanisms of action of probiotic bacteria.
- Seoul Dairy Cooperative, the largest milk producer in South Korea, launched a dairy product containing Probi's LP299V® bacterium.
- Pharmavite, USA, conducted an extensive marketing campaign for products containing Probi's probiotics under the Nature Made brand.
- Probi's third product platform, Probi FerroSorb® for improved iron uptake, ready for launch. The product comprises a combination of LP299V® and iron. It is being initially launched in Sweden in early 2016.
- The partnership agreement with DKSH was expanded to include launches of Probi Digestis® in Hong Kong and Macau under the BiO-Life brand.
- Jamieson of Canada launched Probi's probiotics under the Digestive Care – Daily Relief brand, which is mainly sold by pharmacies, but also by supermarkets.
- The agreement with Dongkook, South Korea, was expanded through the launch of Probi Mage Plus, which contains Probi's LP299V®.
- The agreement with Dongkook, South Korea, was expanded through the launch of a children's product in a stick pack under the Cenovis Superbiotics brand.
- In 2015, the number of Probi employees increased from 27 to 37. Most of the recruitments took place in sales and marketing.
- In 2015, Probi established a wholly owned subsidiary in Singapore to more efficiently penetrate the growing Asian market.
- Peter Nählstedt, Probi's CEO, appointed Chairman of the International Probiotics Association Europe (IPA Europe).

Net sales and results

During the year, Probi's net sales totalled MSEK 215.7 (135.2). The overall increase was MSEK 80.5, or 60%. Foreign currencies, primarily, USD and EUR, account for most other sales. If exchange rates had remained unchanged compared with the preceding year, net sales would have been MEK 23.6 lower, corresponding to growth of 42%

Net sales in Consumer Healthcare rose MSEK 78.5, or 79%, to MSEK 177.6 (99.1). This growth was largely generated by deliveries to the North American market, in which NBTY accounted for most of the increase. Sales to South Korea declined compared with 2014, when Probi delivered substantial volumes to Sanofi in conjunction with its launch. Net sales in Functional Food totalled MSEK 38.1 (36.1). In the fourth quarter, the first deliveries to Seoul Dairy were made and the trend for the US company NextFoods was positive during 2015.

In 2015, operating expenses amounted to MSEK 157.6 (110.7), up MSEK 46.9 year-on-year. Cost of goods sold rose MSEK 21.4, due to an increase in goods sold. Personnel costs were MSEK 9.3 higher than in 2014. The number of employees rose by 10 in 2015 and the allocation of variable remuneration to personnel was higher than in 2014. Other external costs rose MSEK 19.1. Most of this increase comprised marketing costs in customer partnerships, and consulting services in sales and administration.

Operating profit for 2015 was MSEK 63.1 (27.1). Adjusted for currency effects, operating profit amounted to MSEK 45.0. The operating margin increased from 20% to 29%. Adjusted for currency effects, the operating margin was 23% in 2015.

Tax expense was MSEK 14.1 (6.3).

Net profit for the year was MSEK 49.0 (21.8), corresponding to earnings per share of SEK 5.38 (2.39) before and after full dilution.

Cash flow and financial position

Cash and cash equivalents rose MSEK 34.8 (16.9) during the year, and amounted to MSEK 143.0 (108.2) at year-end. Cash flow from operating activities increased by MSEK 24.9 compared with 2014 to MSEK 62.1 (37.2).

During the year, investments in intangible fixed assets amounted to MSEK 18.3 (9.8), of which patents accounted for MSEK 2.5 (1.9) and capitalisation of development costs for MSEK 15.8 (7.9). Capitalised development expenditure mainly pertains to clinical trials in immune and digestive health. Investments in tangible fixed assets totalled MSEK 1.2 (3.8).

During 2015, Probi paid dividends of MSEK 7.7 (6.8) to shareholders.

Segment information

General information

Probi's business operations are organised in two business segments, each with its own operational manager: Consumer Healthcare and Functional Food.

The Consumer Healthcare segment develops, markets and sells Probi probiotics in partnership with pharmaceutical companies and other companies specialised in probiotics and health and wellness products, under

Probi's proprietary brands or those of its partners.

The Functional Food segment focuses on developing food that provides health benefits. Development in this segment is conducted in partnership with leading food companies, with the aim of commercialising and marketing products with high volume potential.

No business transactions are conducted between the two segments.

Consumer Healthcare

Net sales in Consumer Healthcare rose by MSEK 78.5, or 79%, to MSEK 177.6 (99.1). As a result of growth, the business area's operating profit increased by MSEK 34.4 to MSEK 52.3 (17.9).

The sharp growth was attributable to major successes in the North American market. Probi's US business partners, NBTY and Pharmavite, conducted extensive probiotic launches in 2015. For example, NBTY decided to include Probi's probiotic strains for digestive and immune health in its Probiotic 10 product, which was already being sold in US retail stores under the Nature's Bounty brand. The relaunch of Probiotic 10 was highly successful, and NBTY has placed orders for substantial deliveries from Probi in the first quarter of 2016. Pharmavite conducted an extensive marketing campaign and launched a new range comprising combination products containing probiotics plus vitamins and minerals aimed, for example, at various consumer groups. Deliveries to Pharmavite in 2015 did not fully meet Probi's expectations, but Pharmavite remains a key business partner for Probi's expansion in the US.

Probi's sales in other Consumer Healthcare markets matched the year-earlier level. Revenue in South Korea declined, while Poland showed a corresponding rise. Probi's share of the Swedish market increased and amounted to 54% for the period July 2014–June 2015.

In 2015, the market penetration of Probi's dietary supplements based on Probi Digestis® was further strengthened by new agreements and range expansion:

Probi and DKSH signed a multi-year agreement for launches in Hong Kong and Macau of Probi's clinically proven product in the digestive health area, which is based on *Lactobacillus plantarum* 299v (DSM 9843). The launches were conducted under the BiO-LiFE and Probi Digestis® brands, and targeted at hospitals, clinics and pharmacies. The new agreement is an expansion of the 2013 agreement between Probi and BiO-LiFE, a Malaysian subsidiary of DKSH.

During 2015, Jamieson launched Probi Digestis® in Canada. Jamieson's new range of digestive health products, Digestive Care™, includes Probi Digestis® in Jamieson's leading product Daily Relief. The product is mainly sold by pharmacies and, after just a few months, the product was the third best-selling probiotic product in the Canadian market. Jamieson is a market leader in Canada, with more than one fourth of the VMS market.

Sanofi and Dongkook launched Probi Digestis® and Probi Mage® in South Korea in 2014 and extended their range with additional product varieties for digestive health in 2015. Under its Cenovis Superbiotics brand, Sanofi has launched a product for children in a stick pack. The product contains a combination of probiotics and prebiotics, and is mainly marketed in retail stores. Dongkook, the largest OTC player in South Korea, has launched Probi Mage Plus, which contains Probi's LP299V®, in the pharmacy channel.

In conjunction with the recruitments made in 2015, Probi strengthened the business area's marketing and sales organisation, enabling resources for broader and more proactive marketing strategies.

Functional Food

Net sales in Functional Food amounted to MSEK 38.1, up MSEK 2.0 or 6%. The business area's operating profit increased to 10.8 MSEK (9.2). The increase mainly resulted from the first deliveries to Seoul Dairy Cooperative. The US company NextFoods, which sells GoodBelly based on Probi's LP299V®, noted a 20% sales increase calculated in local currency. Royalty revenue from ProViva sales in Sweden was lower than in 2014, mainly due to changed royalty rates in accordance with the agreements signed with Danone in 2010.

During the year in the Functional Food business area, Probi signed a new agreement with Seoul Dairy Cooperative concerning product launches in South Korea. This is Probi's first agreement for a dairy product containing Probi's LP299V® bacterium and the launch took place at the end of 2015. Seoul Dairy is the largest producer of dairy products in South Korea and also manufactures juices and other beverages.

Business development resources in the Functional Food business area were expanded during the year. Discussions are ongoing regarding new product launches in both Asia and North America.

Research and development

During the year, Probi initiated a new long-term research collaboration, which is

expected to result in a number of new probiotic products. During 2015, Probi also completed in-vitro studies conducted to ascertain mechanisms of action of increased iron uptake in the intestines resulting from the use of Probi's bacteria. A number of new clinical trials were also started involving both Probi's existing product platforms and totally new indications.

Total expenses for research and development for the year amounted to MSEK 43.9 (29.6), of which capitalisation of development costs accounted for MSEK 15.8 (7.9).

Long-term research collaboration

In the first quarter of 2015, a new long-term research collaboration was initiated with Professor Michiel Kleerebezem from Host-Microbe Interactomics at Wageningen University in the Netherlands. The collaboration encompasses a four-year Ph.D. project and aims to demonstrate the physiological relevance of new probiotic strains in the attenuation of intestinal inflammation, which is considered to play a pivotal role in the development of various pathological conditions. The purpose of the collaboration is to better understand the anti-inflammatory mechanisms of action of probiotics, which will enable the continued development of new and effective probiotic products. The Host-Microbe Interactomics Group in Wageningen combines expertise in several areas: cell biology, immunology, microbiology and functional genomics to improve the understanding of molecular interactions that occur in the communication between microorganisms and their hosts. The group's research ranges from studies of the molecular mechanisms of diseases caused by pathogenic bacteria, to the interactions between beneficial bacteria and their hosts. In collaboration with Probi, the health effects of various probiotic strains will be tested, both in vitro – in the laboratory – and in vivo – in animals including humans. The project proceeded as planned during the year.

New product to increase iron uptake

Two trials demonstrating that *Lactobacillus plantarum* DSM 9843 (LP299V®) can increase iron absorption in women of child-bearing age were concluded in 2014. These trials were followed by a mechanistic study in 2015, which showed how the increased uptake of iron in the intestines was due to a specific mechanism. A patenting procedure for the mechanism is now under way. In 2015, Probi established a new third-product platform, Probi FerroSorb®, based on the findings of this and previous trials. Probi's iron prod-

uct, comprising a combination of LP299V® and iron, is initially being launched in Sweden during the first quarter of 2016.

Ongoing trials

The two major trials that are currently taking place to further strengthen clinical documentation of Probi's product platforms for digestive health (Probi Digestis®) and immune health (Probi Defendum®) continued during the year. These trials are expected to be concluded in the first part of 2016. The Oral Health development project that Probi is pursuing in partnership with Symrise proceeded as planned during the year.

New trials initiated

In the first quarter of 2015, a new long-term clinical trial commenced of a totally new indication for use for Probi, in partnership with Skåne University Hospital. In the fourth quarter, the trial was expanded with the addition of Sahlgrenska University Hospital, and Linköping University Hospital is expected to join in early 2016.

Another clinical trial, of Probi Defendum®, commenced during the year. The purpose of the trial is to broaden the existing documentation to also cover children. The trial is based on findings from the trial that was discontinued in 2014, when the company contracted to perform the trial went bankrupt.

Two trials of Probi Digestis® have been planned and will commence in early 2016. The purpose of the trials is to increase the existing documentation of the health effects of LP299V®, and to broaden the documentation for lower age groups.

Based on the trials that, in 2014, showed how a combination of three of Probi's strains led to reduced bone loss in mice, Probi has planned a major clinical trial that will also commence in the first quarter of 2016.

In addition to the clinical research programme, a number of application projects were conducted to strengthen the development platform for new food products in Functional Food.

Published articles

In 2015, seven research studies based on Probi's probiotic strains were published in scientific journals. These studies, among other, demonstrate the following:

- The uptake of iron from a fruit drink increased 50% if LP299V® was present.
- Reduced incidence of *Clostridium difficile* infection in high-risk patients following antibiotic therapy when the patients were given LP299V®.

Scientific Advisory Board

Probi is assisted by a Scientific Advisory Board, comprising renowned researchers and physicians from a range of disciplines, and research areas of high relevance to Probi's future development. The Advisory Board provides advice and recommendations to Probi's Board and management in research-related matters based on Probi's current research portfolio, and on future research and product development. The members of Probi's Scientific Advisory Board are:

- Jan Nilsson (Chairman), Professor of Experimental Cardiovascular Research at Lund University, Sweden.
- Lars Gatenbeck, PhD doctor, Chairman and Director of several Life Science companies and organisations.
- Glenn Gibson, Professor of Food Microbiology at the University of Reading in the UK.
- Maria Rescigno, professor and head of the unit for Immunobiology of Dendritic Cells and Immunotherapy at the European Institute of Oncology in Milano, Italy.
- Henrik Vestergaard, Associate Professor at the Novo Nordisk Foundation Center for Basic Metabolic Research in Copenhagen, Denmark.
- Hans Wigzell, Professor Emeritus in Immunology, Karolinska University Hospital, Stockholm.

Probi's Scientific Advisory Board held two meetings in 2015. Individual Advisory Board members also participated in discussions, and the planning of new scientific studies.

Employees

At year-end, Probi had 37 (27) employees, 24 (19) women and 13 (8) men. The average number of employees was 32 (26). Most of the new recruitments during the year were in marketing and sales. Probi's R&D organisation was also strengthened by new recruitments in both clinical application and clinical research. In addition, Probi established a wholly owned subsidiary in Singapore during 2015 with one employee, to more efficiently cultivate the key Asian market.

In early 2016, Probi adapted the organisation to meet the growing number of customers and increasing share of goods sold. This was achieved by gathering logistics, production, quality issues and customisations under a new unit, Operations. In this context, Probi extended its Management Group with

the addition of Linda Neckmar, who will be responsible for Operations. Linda Neckmar has been Head of Probi's Consumer Health-care business area since 2011.

Events after the balance-sheet date

No significant events took place after the balance-sheet date.

Risks and uncertainties

Probi pursues continuous efforts to identify and evaluate the various types of risks to which its operations are exposed. This has resulted in a Risk Management Policy that is revised at least once a year by the company's Board. Probi thus has a clear picture of what these risks are and how they can be managed to minimise the negative effects on the company's business and development.

Agreements with strategically selected partners

Probi has agreements with a number of partners in various countries, which market Probi's products and technology or plan to do so. Should one or more of these partnerships be discontinued or not lead to launches, this would have a negative impact on Probi's revenue, earnings and financial position.

Competition

The growing interest in probiotics entails that Probi faces increased international competition from ingredients companies and suppliers of probiotic products. Competition will also come from other products offering equivalent health benefits. Over time, this could entail a threat to Probi's market position and growth.

Regulatory risks

The requirements and regulations for the use of health claims for probiotics, for example, are constantly being sharpened. Since 1 July 2007, nutritional and health claims have been regulated by an EU directive (1924/2006) that applies in all EU countries, which entails considerable restrictions on possibilities to communicate the health-related benefits of products to consumers. A sharpening of regulatory processes is also under way in other geographic markets. In the US, for example, discussions are centering on the requirements, in terms of number and quality, that should be placed on scientific studies so that such studies can provide evidence of a health claim for products containing probiotics.

Since Probi's continued expansion presumes product launches in a greater number of geographic markets in and outside Europe, a sharpening of regulatory pro-

cesses in various markets could entail a risk of increased costs and delayed launches for Probi.

Patents and rights

Probi's continued development is largely dependent on continued successful research and the ability to protect future revenue streams through sales of products with extensive patent protection. Thus, it is vital that granted patents can be maintained and that newly developed products and applications can be patented or protected in some other way. Probi works continuously to strengthen the intellectual property rights and commercial protection of its products. In addition to new patents for existing and new products, this also includes:

- Development of know-how concerning technology and products.
- Regulatory protection in the form of government approval of health claims and the sale of products.
- Legal protection for Probi's brands and determined efforts to raise awareness of the brands.
- Long-term commercial agreements with Probi's key customers.

Supply of goods

A significant portion of Probi's future growth is based on the delivery of ready-made products in the form of powder, capsules and tablets. Accordingly, Probi is dependent on a limited number of suppliers complying with agreed requirements in areas such as quality, volumes and delivery dates.

Product liability

Probi could be subject to product liability claims if the company's products are alleged to have caused personal injury or property damage. Probi's insurance programme contains product liability protection. Probi's business could give rise to claims for damages that are not covered by the insurance, which could have an adverse impact on Probi's earnings and financial position.

Strategic research and development

Probi's research and development encompasses both proprietary efforts and partnerships with external Swedish and international researchers and organisations. However, there is no guarantee that these efforts or partnerships will lead to new and launchable products, or that Probi will receive exclusive rights to the results.

Key individuals and employees

The company's future development is dependent on being able to retain employees and recruit new employees with the skills that are in demand.

Financial risks

Probi's business entails various types of financial risks. These risks and how they are managed are described in Note 3 Financial risk factors.

Future development

Probi's business model is based on conducting research and development, obtaining patents for and documenting probiotic bacteria and developing ready-made probiotic consumer products. Probi's strategy is based on complementary business models for the two business areas Consumer Healthcare and Functional Food. The company's long-term objective is to continue creating profitable growth by expanding and advancing its sales in the global market for products in both business areas. Since Probi assesses that the prospects for continued growth during 2016 remain favourable, albeit at a lower rate than in 2015, it anticipates that both earnings and cash flow from operating activities will be positive during the financial year ahead.

The environment and quality

Probi's environmental management system was certified according to ISO 14001:2004 in 2012, with the SP Technical Research Institute of Sweden as the external certification body. The environmental management system encompasses all Probi operations apart from those conducted by Probi Asia-Pacific Pte. Ltd. in Singapore. The system comprises an environmental policy, an environmental manual and a list of environmental aspects.

The significant environmental aspects of Probi's business are:

- Selection of suppliers for products and services.
- Selection of packaging materials for products.
- Management of risk waste from laboratory operations.

During 2015, the environmental management system underwent a recertification audit, with SP Technical Research Institute of Sweden as the external certification body.

Probi's business is global, which entails business travel by air. Probi climate compensates for the carbon emissions arising in

connection with all business travel by air. For 2015, Probi's climate compensation corresponded to 354 tonnes of carbon equivalents (207) in the Trees of Hope forestry project in Malawi, in partnership with the ZeroMission in accordance with the PlanVivo standard.

Probi's operations do not require permits under the Swedish Environmental Code.

Since 1998, Probi's laboratory operations have been accredited according to ISO 17025 "General requirements for the competence of testing and calibration laboratories." SWEDAC is the regulatory authority for accreditation according to this ISO standard.

Subsidiaries

Probi AB has three wholly owned subsidiaries: Probi Asia-Pacific Pte. Ltd., Probi Food AB (dormant) and Probi Feed AB (dormant).

Proposed allocation of profit in the Parent Company

The following profits in the Parent Company are at the disposal of the Annual General Meeting (SEK 000s):

Profit brought forward	67,107,987
Profit for the year	48,895,433
Total	116,003,420

The Board of Directors and the CEO propose that the profits at the disposal of the AGM be distributed as follows:

that a dividend of SEK 1.00 per share be paid to shareholders	9,115,300
that the following amount be carried forward	106,888,120
Total	116,003,420

The proposed dividend has taken into consideration that the company has treasury shares that do not qualify for a dividend. The earnings brought forward by the Group totalled KSEK 75,676 according to the consolidated statement of financial position and other contributions received amount to KSEK 64,740.

The Board of Directors anticipates a continued positive trend in 2016. The Board's assessment is that the proposed dividend will not prevent Probi from fulfilling its commitments in the short or long term, or from implementing necessary investments.

Corporate governance report

Probi AB (publ) is a Swedish limited liability company, listed on Nasdaq OMX Stockholm since 2004. According to its Articles of Association, Probi shall engage in the development, manufacture and marketing of products that stimulate the growth and/or regulate the natural microflora in humans, and conduct other compatible operations.

Probi's Corporate Governance is based on applicable legislation, resolutions by the Annual General Meeting (AGM), Articles of Association, listing agreement, the Swedish Code of Corporate Governance (the "Code") and work by the Board of Directors and Executive Management. For more information about the contents of the Code, please refer to www.bolagsstyrningskollegiet.se.

This Corporate Governance Report pertains to the 2015 financial year and has been prepared in accordance with the Swedish Annual Accounts Act and the Code's regulations. Probi's Articles of Association and additional information about Probi's Corporate Governance are available at www.probi.se, under "Investors relations."

Application of the code

Probi, its Board of Directors and Nomination Committee apply the Swedish Code of Corporate Governance. No deviation from the Code has taken place.

Ownership structure and share capital

At 31 December 2015, Probi had 3,884 (3,332) shareholders, according to Euroclear Sweden AB. On that date, Probi had one owner with a shareholding representing at least one-tenth of the votes for all shares in the company: Symrise AG, Germany, with 51.4% of the votes.

At year-end, the company's share capital amounted to SEK 46,826,500 represented by 9,365,300 shares with a quotient value of SEK 5.00. All shares are of the same type and entitle their holder to one vote and equal rights to the company's assets and earnings. The Articles of Association include no limitations related to share assignability.

At year-end, Probi held 250,000 treasury shares, or 2.7% of the total number of shares, with a quotient value of SEK 5 per share. These shares carry no voting rights and do not qualify for dividends.

General Meeting of Shareholders

Shareholders exercise their influence over the company at General Meetings of Shareholders, Probi's highest decision-making body. The Annual General Meeting (AGM) is held within six months of the end of the financial year. Official notification of the Meeting is sent not earlier than six weeks and not later than four weeks prior to the Meeting. All shareholders listed in the shareholder registry and who registered their interest are entitled to participate in the Annual General Meeting and vote. Each share carries one vote.

The Annual General Meeting was held in Lund on 23 April 2015. The Board of Directors, auditors and Nomination Committee were elected at the AGM, which also resolved on guidelines for the remuneration of senior executives, as described in the following.

Remuneration of senior executives

The 2015 AGM resolved on the following guidelines for remuneration of senior executives. Probi is to offer market-aligned total remuneration that enables the recruitment and retention of senior executives. Remuneration to executive management shall comprise a fixed salary, variable salary, pension and other remuneration. Combined, these comprise components of the employee's total remuneration. The fixed salary is to take into account the employee's areas of responsibility and experience. The variable salary is to depend on the employee's fulfilment of quantitative and qualitative goals and is not to exceed 50% of the fixed annual salary. Other remuneration and benefits are to be in line with market terms and contribute to facilitating the senior executive's ability to complete his/her work tasks. Executive management's employment agreements include notification stipulations. Under these agreements, termination initiated by the employee entails a notice period of three to six months, and when initiated by the company a notice period of six to 12 months. Unchanged salary is paid during the notice period. The Remuneration Committee is entitled to deviate from the aforementioned guidelines if the Board finds specific reasons to motivate this in isolated cases. Ahead of the 2016 AGM, the Board proposes that the Meeting resolve

that these guidelines remain the same.

Nomination Committee

The Nomination Committee is elected at the AGM and its principal tasks are to:

- evaluate the Board's composition and duties
- prepare proposals to the AGM for the election of Board members and Chairman of the Board and their remuneration
- prepare proposals for the AGM for the election of auditors and their remuneration

On 23 April 2015, the AGM resolved that the Nomination Committee should consist of three owner representatives. Heinz-Jürgen Bertram (CEO Symrise AG) (convenor), Bengt Jeppsson (Professor at the Department of Surgery at Lund University) and Jannis Kitsakis (Fourth Swedish National Pension Fund) were re-elected as members of the Nomination Committee.

The Nomination Committee's proposals are presented in conjunction with the official notification of the AGM. Shareholders who wish to contact the Nomination Committee can do so in accordance with the information provided on Probi's website at www.probi.se.

Board of Directors

According to Probi's Articles of Association, the Board is to consist of no fewer than three and no more than seven members, with no more than three deputies, and be elected at the AGM. The company's Articles of Association lack specific stipulations concerning the appointment and dismissal of Board Members and concerning amendments to the Articles of Association. The AGM on 23 April 2015 resolved to elect a Board consisting of six members with no deputies as follows: (Figures in parentheses pertain to attendance at Board meetings in 2015).

Jean-Yves Parisot, Chairman (newly elected) (7 of 7)
 Jan Nilsson (re-elected) (11 of 11)
 Benedicte Fossum (re-elected) (11 of 11)
 Eva Redhe (re-elected) (8 of 11)
 Jonny Olsson (newly elected) (7 of 7)
 Jörn Andreas (re-elected) (10 of 11)

All Board Members are independent in relation to the company and senior executives. A presentation of the Board Members is available on the company's www.probi.se website and in the printed version of the 2015 Annual Report on pages 70-71.

The AGM resolves on principles and monetary limits for Board fees. For 2015, the Board's fees were fixed at SEK 1,175,000, distributed so that the Chairman of the Board accounted for SEK 300,000 and each of the other Board members accounted for SEK 175,000.

For a brief period, Board members may perform consulting services for Probi. This is pursuant to a Board decision and only if it is deemed to be the most cost-efficient and advantageous option for the company. This type of consulting fee is recognised in the Annual Report.

For information regarding Board fees, see Notes 10 and 25.

CEO

A presentation of the CEO is available on the company's www.probi.se website and in the printed version of the 2015 Annual Report on page 72.

Auditors

The 2015 AGM elected the registered accounting firm Deloitte AB with Authorised Public Accountant Per-Arne Pettersson as auditor-in-charge for the period up to the 2016 AGM.

Work of the Board and its formal work procedures

The Board is ultimately responsible for Probi's organisation and the administration of the company's affairs. The Board decides whether to appoint or dismiss the CEO, and on major organisational and operational changes. The Board's duties also include evaluating and determining strategies, business plans and budgets. The Board also adopts quarterly reports, year-end reports and annual reports.

Every year, the Board evaluates the CEO's performance in relation to the identified long and short-term objectives. In conjunction with this, the CEO's objectives for the coming financial year are set. No representative from executive management participated in this evaluation.

The Board annually prepares a procedure regulating the division of work and responsibilities between the Board, Chairman and CEO. This work procedure is adopted at the

Board's statutory meeting, which is held in conjunction with the AGM.

The Chairman of the Board is responsible for continuously monitoring the company and ensuring that all Board Members continuously receive the relevant information for making decisions and evaluating Probi. The Chairman must consult with the CEO on strategic issues, supervise Board meetings and ensure that Board matters do not contravene the regulations regarding conflicts of interest stipulated by the Companies Act. The Board annually establishes instructions for the CEO, including guidelines for the ongoing administration, accounting and asset management and internal control of the company. These instructions also cover the CEO's authorisations and disclosure requirements towards the Board.

The Board is to convene no fewer than four scheduled Board meetings distributed equally during the year and hold one statutory meeting. In addition to regular items, the scheduled Board meetings in 2015 focused primarily on strategic and structural issues involving Probi's long-term development and growth. The Board also held seven telephone meetings in 2015, which addressed matters such as commercial issues connected to agreement negotiations.

Audit Committee

Probi's Audit Committee comprises the Board in its entirety. The Board maintains continuous contact with the auditors, who personally report their findings and observations at least twice annually. The auditors also provide information on the priority areas that future audits will examine, while the Board informs the auditors about issues or areas that the Board wishes to specifically highlight. In 2015, the Audit Committee held two meetings, where all but one member participated.

Remuneration Committee

Probi's Remuneration Committee comprises the Board in its entirety. The Remuneration Committee is tasked with determining the salary and remuneration of the CEO, as well as bonus systems for the company. Salaries and remuneration of other senior executives are decided by the CEO in consultation with the Chairman of the Board. Policies for remuneration and other terms and conditions of employment for the CEO and senior executives are resolved by the AGM. In 2015, the Remuneration Committee held three meetings. One member was absent at one of these meetings.

For information regarding salaries and remuneration of the CEO and other senior executives, see Note 10.

The Board's internal control report

The Board is responsible for the internal control of financial reporting. This report is limited to the internal control of financial reporting.

Authorisation and responsibility is documented and recognised in internal guidelines and instructions. These encompass the division of responsibilities between the Board and the CEO, attestation instructions and accounting and reporting instructions. The purpose of the instructions in these documents is to minimise the risk of irregularities and improper benefits to other parties at the expense of the company.

The Board monitors the company's financial development through reporting at Board meetings and through continuous financial reporting. The CEO is responsible for preparing and presenting reports at each Board meeting, with the following principal content for the period in question:

- Sales and market development and status of R&D projects
- Balance sheets, income statements and financing analyses
- Investments and tied-up capital
- Key ratios
- Forecasts for current quarters and full-year

The CEO must also, in accordance with the established time schedule, submit a financial report to the Board members.

Quality of financial reporting

The Board is responsible for ensuring the quality of the company's financial reporting. The information submitted by executive management is continuously evaluated by the Board. In this work, it is essential to ensure that actions are taken concerning potential shortcomings that are detected and implementing the adopted quality improvements. In addition, continuous contact is maintained with the company's auditors who also conduct a review of all quarterly reports in accordance with the Board's decision. Considering the size of the company, it has not been deemed reasonable to establish a specific internal audit function. Each year, the question of establishing a specific internal audit function is to be addressed by the Board.

Financial statements

Statements of comprehensive income for the Group and Parent Company

Currency: SEK 000s	Note	GROUP		PARENT COMPANY	
		2015	2014	2015	2014
Operating revenue					
Net sales	7	215,711	135,242	215,711	135,242
Other revenue	7	4,973	2,510	4,973	2,510
Total operating revenue	6	220,684	137,752	220,684	137,752
Operating expenses					
Raw materials		-63,120	-41,677	-63,120	-41,677
Employee benefit expenses	10	-41,251	-31,937	-41,251	-31,937
Other external costs	8, 9, 14	-47,069	-27,930	-47,142	-27,930
Depreciation of non-current assets	16, 17, 18	-6,070	-5,419	-6,070	-5,419
Disposal of non-current assets	11	-106	-3,740	-106	-3,740
Total operating expenses	6, 24	-157,616	-110,703	-157,689	-110,703
Operating profit		63,068	27,049	62,995	27,049
Financial income	12	3,248	1,648	3,248	1,648
Financial expenses	12	-3,226	-607	-3,422	-412
Result from financial income and expenses		22	1,041	-174	1,236
Difference between book depreciation and depreciation according to plan		-	-	105	-62
Profit before tax		63,090	28,090	62,926	28,223
Tax for the period	13	-14,051	-6,325	-14,031	-6,355
Income for the year		49,039	21,765	48,895	21,868
Translation differences in translation of foreign operations		-4	-	-	-
Total comprehensive income for the year		49,035	21,765	48,895	21,868
Number of shares at end of reporting period		9,115,300	9,115,300		
Average number of shares outstanding		9,115,300	9,115,300		
Earnings per share based on income for the year, SEK.		5.38	2.39		

Income for the year and comprehensive income are attributable in their entirety to the Parent Company's shareholders. Since the company has no outstanding convertible loans or warrants, no dilution effect arises.

Probi repurchased own shares in 2011 and owned a total of 250,000 treasury shares at the end of 2015.

Parent Company statement of financial position

Assets			
	Note	2015	2014
Currency: SEK 000s			
Fixed assets			
Capitalised development expenses	15	31,250	18,340
Patents and licenses	16	9,570	8,910
Goodwill		2,762	2,762
Equipment, tools and fixtures	17, 18	4,581	4,864
Deferred tax assets		–	43
Total fixed assets		48,163	34,919
Current assets			
Inventories		4,468	3,561
Accounts receivable	20	26,930	25,323
Other current receivables		1,473	1,936
Prepaid expenses and accrued income	21	3,826	2,069
Cash and cash equivalents	3	143,024	108,181
Total current assets		179,721	141,070
Total assets		227,884	175,989

Shareholders' equity and liabilities			
	Note	2015	2014
Currency: SEK 000s			
Equity			
Share capital		46,827	46,827
Other contributions received		64,740	64,740
Provision		–4	–
Profit brought forward including profit for the year		75,676	34,386
Total equity		187,239	145,953
Long-term liabilities			
Deferred tax		122	145
Total long-term liabilities		122	145
Current liabilities			
Accounts payable		16,235	17,344
Tax liabilities		–	2,528
Other current liabilities		8,737	2,342
Prepaid expenses and accrued income	23	15,551	7,677
Total current liabilities		40,523	29,891
Total equity and liabilities		227,884	175,989

For pledged assets and contingent liabilities, refer to Note 24.

Parent Company's balance sheet

Assets			
	Note	2015	2014
Currency: SEK 000s			
Fixed assets			
Capitalised development expenses	15	31,250	18,340
Patents and licenses	16	9,570	8,910
Equipment, tools and fixtures	17, 18	4,581	4,864
Participations in Group companies	19	4,329	4,031
Total fixed assets		49,730	36,145
Current assets			
Inventories		4,468	3,561
Accounts receivable	20	27,135	25,323
Other current receivables		1,473	1,797
Prepaid expenses and accrued income	21	3,815	2,069
Cash and cash equivalents	3	142,718	108,181
Total current assets		179,609	140,931
Total assets		229,339	177,076

Shareholders' equity and liabilities			
	Note	2015	2014
Currency: SEK 000s			
Equity			
Restricted equity			
Share capital		46,827	46,827
Statutory reserve		21,140	21,140
Total restricted equity		67,967	67,967
Non-restricted equity			
Profit brought forward		67,108	52,988
Profit for the year		48,895	21,868
Total non-restricted equity		116,003	74,856
Total equity		183,970	142,823
Long-term liabilities			
Liabilities to Group companies		4,035	4,035
Total long-term liabilities	22	4,035	4,035
Untaxed reserves			
Accumulated accelerated depreciation/amortisation		555	660
Total untaxed reserves		555	660
Current liabilities			
Accounts payable		16,507	17,344
Tax liabilities		–	2,528
Other current liabilities		8,737	2,009
Prepaid expenses and accrued income	23	15,535	7,677
Total current liabilities		40,779	29,558
Total equity and liabilities		229,339	177,076

For pledged assets and contingent liabilities, refer to Note 24.

Parent Company's statement of changes in shareholders' equity

Currency: SEK 000s	Share capital	Other contributions received	Provisions	Profit brought forward	Total equity
Opening balance, 1 Jan. 2014	46,827	64,740	–	19,458	131,025
Income for the year	–	–	–	21,765	21,765
Other comprehensive income	–	–	–	–	–
Total comprehensive income	–	–	–	21,765	21,765
Dividend for 2013	–	–	–	–6,837	–6,837
Total transactions with shareholders	–	–	–	–6,837	–6,837
Opening balance, 1 Jan. 2015	46,827	64,740	–	34,386	145,953
Profit for the year	–	–	–	49,039	49,039
Other comprehensive income	–	–	–4	–	–4
Total comprehensive income	–	–	–4	49,039	49,035
Dividend for 2014	–	–	–	–7,749	–7,749
Total transactions with shareholders	–	–	–	–7,749	–7,749
Closing balance, 31 Dec 2015	46,827	64,740	–4	75,676	187,239

Income for the year and comprehensive income are attributable in their entirety to the Parent Company's shareholders.

Parent Company's statement of changes in shareholders' equity

Currency: SEK 000s	Share capital	Statutory reserve	Non-restricted equity	Total equity
Opening balance, 1 Jan. 2014	46,827	21,140	59,825	127,792
Income for the year	–	–	21,868	21,868
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	21,868	21,868
Dividend for 2013	–	–	–6,837	–6,837
Total transactions with shareholders	–	–	–6,837	–6,837
Opening balance, 1 Jan. 2015	46,827	21,140	74,856	142,823
Income for the year	–	–	48,895	48,895
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	48,895	48,895
Dividend for 2014	–	–	–7,748	–7,748
Total transactions with shareholders	–	–	–7,748	–7,748
Closing balance, 31 Dec 2015	46,827	21,140	116,003	183,970

There are 9,365,300 shares with a quotient value of SEK 5, of which Probi AB holds 250,000 shares, corresponding to 2.7%.

Statements of cash flows for the Group and Parent Company

Currency: SEK 000s	Note	GROUP		PARENT COMPANY	
		2015	2014	2015	2014
Operating activities					
Profit before tax		63,090	28,090	62,926	28,090
Depreciation/amortisation and disposal		6,176	9,159	6,071	9,159
Capital gains/losses from disposal of tangible fixed assets		31	30	31	30
Income tax paid		-16,689	-5,147	-16,689	-5,147
Cash flow from operating activities before changes in working capital		52,608	32,132	52,339	32,132
Change in inventories		-907	-882	-907	-882
Change in operating receivables		-2,901	-4,143	-3,234	-4,143
Change in operating liabilities		13,286	10,126	13,880	10,126
Cash flow from operating activities		62,086	37,233	62,078	37,233
Investing activities					
Acquisition of intangible fixed assets		-18,256	-9,824	-18,554	-9,824
Acquisition of tangible fixed assets		-1,238	-3,823	-1,238	-3,823
Divestment of tangible fixed assets		-	131	-	131
Cash flow from investing activities		-19,494	-13,516	-19,792	-13,516
Financing activities					
Dividend		-7,749	-6,837	-7,749	-6,837
Cash flow from financing activities		-7,749	-6,837	-7,749	-6,837
Change in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year		108,181	91,301	108,181	91,301
Cash and cash equivalents at the end of the period		143,024	108,181	142,718	108,181
		2015	2014	2015	2014
Interest received		128	1,219	128	1,219
Interest paid		-19	-	-19	-

Notes

Note 1 General information

Probi Aktiebolag (publ) with its registered office in Lund, Sweden, was founded 1991 and is a leading player in the field of probiotics research and the development of effective and well-documented probiotics.

The company's research is conducted using living microorganisms with scientifically proven health benefits. The fields of research include gastrointestinal health, the immune system, the metabolic syndrome and stress and performance recovery. Probi's customers include leading companies in the Functional Food and Consumer Healthcare business areas.

The Group comprises the Parent Company, Probi AB, and three subsidiaries: Probi Asia-Pacific Pte. Ltd., Probi Food AB (dormant) and Probi Feed AB (dormant). In turn, Probi AB is a subsidiary of Symrise AG, Corp. Reg. No. HRB 200436, with its registered office in Holzminden, Germany. Consolidated financial statements for Symrise AG are available at www.symrise.com. Probi's shares are listed on the Nasdaq OMX Stockholm.

Note 2 Accounting and measurement policies

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, "RFR 1, Supplementary accounting regulations for Groups – January 2015" as well as the International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU.

The preparation of financial statements in accordance with IFRS requires the use of a number of important assessments and estimations for accounting purposes. Management is required to make certain estimates when applying the Group's accounting policies. Areas requiring a high degree of assessment that are complex, or areas in which assumptions and estimates are of significant importance for the consolidated financial statements, are specified in Note 4.

New and revised standards

A number of new or revised standards have come into force and applied for the 2015 financial year. However, none of these have or will have any impact on the company's financial statements in 2015.

New and revised standards and interpretations that have yet to become effective

The new or amended standards and new interpretations that have been issued but that did not come into effect until 1 January 2016 or thereafter have not yet been applied by the Group. Those that are expected to impact the consolidated financial statements are described below in the period in which they are first applied.

IFRS 15 Revenue from Contracts with Customers will come into effect for the financial year beginning on 1 January 2018. The manner in which this will affect the Group has yet to be studied.

Executive management is of the opinion that application of IFRS 9 Financial Instruments, and IFRS 16 Leasing, which will become effective in 2018 and 2019, respectively, could have an impact on carrying amounts in the financial statements in respect of the Group's financial assets and liabilities. Executive management has yet to conduct a

detailed analysis of the effects resulting from its application.

Management's assessment is that other new or amended standards and new interpretations that have not come into effect will not have any material impact on the consolidated financial statements when they are applied for the first time.

2.1 Basis of preparation of the consolidated financial statements

The functional currency of the Parent Company is SEK, which is also the reporting currency for both the Parent Company and the Group. All amounts stated have been rounded to the nearest thousand kronor, unless otherwise stated. The valuation basis is the cost, unless otherwise stated.

The most important accounting policies applied during the preparation of these consolidated financial statements are stipulated below. These policies have been applied consistently for all years presented, unless otherwise indicated. The Parent Company applies the same accounting policies as the Group, with the exceptions and supplements stipulated in RFR 2 Accounting for legal entities – January 2015. The accounting policies for the Parent Company are stipulated in section 2.16 entitled "The Parent Company's accounting policies".

2.2 Consolidated financial statements

The consolidated financial statements include the financial statements of the Parent Company and for those of all subsidiaries. All companies in which the Group holds or controls more than 50% of the votes or in which the Group has the right to formulate financial and operative strategies are consolidated as subsidiaries. Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. Subsidiaries are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

2.3 Segment reporting

Operating segments are recognised in a manner that corresponds with the internal reporting, which is submitted to the highest chief operating decision-maker, in accordance with IFRS 8 Operating Segments. At Probi, this function has been identified as the Management Group.

2.4 Revenue

Revenue comprises the fair value of the compensation that has been received or will be received in return for the sale of own goods or royalties received from business partners that sell goods containing Probi's products on license, interest on financial instruments and, where applicable, revenue of a nonrecurring nature.

Probi recognises revenue when the criteria have been met for each of the company's operations, as described below. The amount of revenue is deemed not to be measurable in a reliable manner until the obligations with regard to the transaction have been met, or have expired. Probi bases its assessments on historical results and takes into account, in connection herewith, the type of customer, nature of the transaction and special circumstances, on a case-by-case basis.

- **Royalty revenue:** Royalty revenue is recognised as revenue on a percentage basis, based on the licensee's reporting of the sales value of consumer products containing Probi's products and ingredients. If the percentage is connected to various levels of the sales value, and thus changes when these are achieved, an estimated average percentage for the year is used each quarter, if this complies with the economic intent of the agreement. Such a check will be undertaken at the end of the year to ensure that royalty revenue actually matches royalty received from customers.
- **Income from goods sold:** Income from goods sold is recognised upon delivery of the goods in accordance with the sales and delivery conditions in each individual case.
- **Nonrecurring revenue:** Probi may receive a lump sum down payment in conjunction with the signing or completion of a contract (exit fees). Certain contracts contain clauses in respect of minimum royalties that can give rise to nonrecurring amounts. These transactions are recognised in their entirety as revenue in conjunction with the actual event under the prerequisite that the actual agreement is not, in any way, connected with any remaining consideration, which carries costs for Probi, or contains revenue elements that must be amortised.
- **Interest income:** Interest income is recognised as revenue over the duration of the contract, applying the effective interest method.

2.5 Income tax

Current income tax comprises tax payable or recoverable in respect of the year in question, together with adjustments made in respect of current tax for previous years.

Deferred tax is calculated using the balance-sheet method on all temporary differences arising between the recognised and fiscal values of assets and liabilities. Deferred tax assets referring to loss carryforwards or other future fiscal deductions are recognised to the extent that it is likely that the deductions can be offset against surpluses in conjunction with future taxation.

The measurement of all tax liabilities/receivables is based on nominal amounts, and is undertaken in accordance with the tax regulations and tax rates determined or announced, and which are likely to be adopted. Tax is recognised in profit or loss, except when the tax pertains to items recognised in other comprehensive income or directly in shareholders' equity. In such cases, tax is also recognised in other comprehensive income or shareholders' equity.

2.6 Intangible assets

- **Goodwill:** Goodwill is impairment tested annually and is recognised at cost less accumulated impairments. Goodwill impairments are not reversed. Profit or losses on the sale of a unit include the residual carrying amount of the goodwill referring to the divested unit. Goodwill is allocated among the smallest cash-generating units in connection with impairment testing.
- **Research and development expenditure:** Research expenses are expensed on an ongoing basis. Development expenses are recognised as assets from the date on which it is deemed that the project or activity to which they relate will lead to a technically and commercially viable product or lead in some other way to future economic value for the company. When Probi deems that the criteria with regard to identifiability, control, future economic benefit and the ability to reliably measure the cost have been met, it capitalises these development expenses. Capitalised development

expenses consist of direct costs for materials, services and personnel costs, with a supplementary charge for a reasonable share of indirect costs. Development expenses recognised as an asset are amortised over the expected useful life. Amortisation is initiated when the asset is ready for use. The value of capitalised assets not yet ready for use is impairment tested annually. Such testing could lead to the value of the asset being impaired, in which case the asset's carrying amount will be reduced and the reduction recognised in operating profit as an impairment loss. Capitalised assets can also be scrapped, in which case the entire carrying amount of the asset will be derecognised from the statement of financial position and recognised in operating profit as being discarded.

- **Patents:** Patent expenses are recognised at cost and are amortised on a straight-line basis over their useful life. The amortisation period for patents is 10 years. Annual fees and other additional fees are expensed on an ongoing basis.

2.7 Tangible fixed assets

Tangible fixed assets are recognised at cost less depreciation. The cost includes expenses directly attributable to the acquisition of the asset. Additional charges are added to the carrying amount of the asset or are recognised as a separate asset, depending on which method is appropriate, and only when it is likely that the future economic benefits associated with the asset will accrue to the Group, and when the cost of the asset can be reliably measured. All other forms of repairs and maintenance are recognised as costs in profit or loss during the period in which they arise.

Depreciation of tangible fixed assets is performed on a straight-line basis as follows:

- Equipment, tools, fixtures and fittings 3–10 years.
- Improvements to leased buildings is recognised during the remaining term of the lease under the current lease

Profit on the divestment of tangible fixed assets is recognised under Other operating income and losses under Operating expenses.

2.8 Impairment of non-financial assets

Assets with an indeterminate useful life are not impaired; instead, they are impairment tested annually. Depreciated assets are evaluated with regard to a reduction in value, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is effected in the amount by which the asset's carrying amount exceeds its recoverable amount. When assessing the impairment requirement, assets are grouped at the lowest level at which separate identifiable cash flows (cash-generating units) exist.

2.9 Leasing

Lease agreements within the Group are classified as either financial or operational leasing.

- **Operational leasing agreements:** Leasing of fixed assets for which the lessor, in all material respects, remains as the owner of the asset is classified as operational leasing. The leasing fees for operational leasing are expensed on a straight-line basis over the period of the lease.
- **Financial lease agreements:** When the leasing agreement entails that the Group, in its capacity as lessee, in all material respects enjoys the economic benefits and carries the financial risks attributable to the leasing object, in the same way as direct ownership,

then the object is recognised as a fixed asset in the consolidated balance sheet. A corresponding obligation to pay future leasing charges is recognised as a liability.

2.10 Financial instruments

The Group's financial instruments recognised in the balance sheet include cash and cash equivalents, accounts receivable and accounts payable.

- *Cash and cash equivalents:* Cash and cash equivalents include cash and bank balances. Cash and cash equivalents do not include any current investments.
- *Accounts receivable:* Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. These items are distinguished by the fact that they arise when the Group supplies goods or services directly to a customer without intending to trade in the receivable. Accounts receivable are recognised at nominal value less any decline in value. A provision for the depreciation of accounts receivable is made when there is objective proof that the Group will be unable to obtain the full amount due in accordance with the original terms of the receivable. In such cases, the provision is recognised in profit or loss.
- *Accounts payable:* Accounts payable are commitments to pay for goods or services acquired in operating activities from suppliers. Accounts payable are classified as current liabilities if they fall due within one year; otherwise they are recognised as long-term liabilities.
- *Receivables and liabilities in foreign currencies:* Receivables and liabilities in foreign currency are recognised at the exchange prevailing on the balance sheet date and the change in value is recognised in operating profit. Exchange-rate changes regarding receivables and liabilities relating to operations are recognised in operating profit, while exchange-rate changes pertaining to financial receivables and liabilities are recognised in net financial items.

2.11 Inventories

Inventories are measured, using the first-in-first-out (FIFO) principle, at the lower of the cost and the net sales value on the balance-sheet date. The cost of the finished goods comprises the cost of raw materials, direct salaries, other direct costs and attributable to indirect manufacturing costs (based on normal manufacturing capacity). The net sales value is the estimated sales price in operating activities, less any applicable variable sales overheads.

2.12 Provisions

Provisions are recognised when the Group has, or may be deemed to have, a legal or informal obligation as a result of events that have occurred, and when it is likely that payments will be required in order to meet the obligation. A further requirement is that it is possible to make a reliable estimate of the amount to be paid. A provision for restructuring measures is made once a detailed, formal plan for the measures has been established.

2.13 Remuneration of employees

Pensions

Pensions are classified as defined-contribution or defined-benefit plans. Obligations resulting from defined-contribution plans are fulfilled

by paying premiums to independent authorities or companies that administrate the plans. Most Probi employees are covered by the ITP 1 plan via continuous payments to Collectum. In accordance with IFRS, this should be classified as a defined-benefit multi-employer plan. Since there is insufficient information to recognise these as defined-benefit plans, they are recognised in accordance with UFR10 as defined-contribution plans covering the period during which the employees performed the service to which the contribution relates.

Severance payments

Severance payments are made when an employment contract is terminated by Probi prior to pensionable age or when an employee accepts voluntary redundancy in exchange for such payment. A severance payment is recognised when there is an obligation that employees be made redundant in accordance with set rules, without the option of re-employment, or when there is an obligation to provide remuneration upon termination of employment based on an offer made to encourage the individual to take voluntary redundancy.

Bonus plans and variable remuneration

Probi recognises a liability and a cost for bonus plans when there is a legal obligation to do so according to the employment agreement or after a special decision by the Remuneration Committee.

2.14 Acquisition and sale of treasury shares

When acquiring and selling own shares, the funds, including fees, are recognised in accordance with IAS 32 paragraph 33 as a decrease or increase in shareholders' equity. Repurchased shares are not recognised as an asset in the balance sheet and any gain or loss is not recognised in profit or loss.

2.15 Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method. Recognised cash flow only includes transactions involving disbursements or receipts. Cash and cash equivalents are defined as cash and bank balances.

2.16 Parent Company's accounting policies

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and "RFR 2, Accounting for legal entities – January 2015". This implies that the Parent Company's financial statements apply the IFRSs and IFRICs that have been adopted by the EU when this is possible within the framework of the Swedish Annual Accounts Act and with regard to the relationship between reporting and taxation.

Amended accounting policies

Changes in RFR 2 had no material impact on the Parent Company's financial statements for 2015.

Amendments to RFR 2 that have not yet come into effect

The new amendments in RFR 2, which have been issued but that will not come into effect until 1 January 2016 or thereafter, have not yet been applied by the company. Those that are expected to impact the Parent Company financial statements are described below in the period in which they are first applied.

The Annual Accounts Act is being amended so that for capitalisation of development expenses under IAS38 that is effected after 1 January 2016, an amount corresponding to the capitalisation is to be reserved in a restricted fund for development expenses. This will

reduce the Parent Company's non-restricted equity, which could impact the capacity to pay a dividend. The assessment of executive management, based on the historical relationship between capitalised development expenses and the Parent Company's non-restricted equity, is that this change will not have a material impact on the capacity to pay a dividend assuming that other conditions in accordance with the company's dividend policy are in place.

Management's assessment is that other amendments of RFR 2, which have not come into effect, are not expected to have any material impact on the Parent Company's financial statements when they are applied for the first time.

Note 3 Financial risk factors

Probi's business activities are exposed to various financial risks. These can be divided into market risks (including currency risks and interest risks), credit risks and liquidity risks.

Probi's Financial Policy, which describes the management of financial risks, is revised and adopted by the Board on an annual basis.

3.1 Market risks

Currency risks

Probi is active internationally and thus has revenue and costs in various currencies. Most of Probi's revenue, or slightly more than 70%, is invoiced in USD or EUR.

Probi's Financial Policy describes the manner in which the company is to manage currency risks in relation to SEK. The objective, wherever possible, is to minimise currency exposure, and thus the currency risk, by matching sales and purchases in each currency. During 2015, Probi's Board of Directors made decisions about changes to the financial policy entailing that future net flows are not to be hedged through currency-forward contracts. The reason for the decision was mainly difficulty in making forecast for periods of six to 12 months concerning future net flows.

A sensitivity analysis shows that the effect on operating profit in 2015 of a 5% change in the USD/SEK exchange rate would have been MSEK ± 5.9 (2.1). In connection with changes in the EUR/SEK exchange rate, the corresponding change would have been MSEK ± 2.0 (0.8).

Interest-rate risk

Probi has no interest-bearing liabilities and thus no interest risks.

3.2 Credit risks

Credit risk is related to the counterparties' creditworthiness and requires a measurement of whether the counterparty can fulfil its obligations. The customers' financial performance is monitored on an ongoing basis. During recent years, Probi has suffered no bad debt losses.

3.3 Liquidity risks

Cash-flow forecasts are established regularly to ensure that the Group has sufficient cash funds to satisfy requirements in operating activities. Cash and cash equivalents are invested in interest-bearing accounts with special terms for deposits.

For surplus liquidity – meaning the portion of cash and cash equivalents that exceeds MSEK 20.0 – alternative investment types may be considered if a higher return is expected. According to Probi's Financial Policy, investments may be made in Nordic banks or Swedish government bonds. The fixed period must be between three and 12 months and investments may only be made after approval by Probi's

Chairman. Surplus liquidity is currently deposited in accounts in various Nordic banks.

Note 4 Important estimates and assessments for accounting purposes

Estimates and assessments are measured on an ongoing basis and are based on historical experience and other factors, including expectations in relation to future events, considered reasonable under current circumstances. The estimates and assessments that could involve a risk of considerable adjustments in the carrying amounts of assets and liabilities in the coming financial years are addressed below.

Impairment testing of capitalised development expenses

Probi carried out impairment tests in 2015 to determine the value of the projects that had been capitalised at 31 December 2015. The value in use, meaning the present value of the anticipated future cash flow from the products encompassed by the capitalised development costs, did not indicate any impairment requirement. Accordingly, with reasonable assurance, these costs will generate revenues for Probi in the years ahead.

Note 5 Management of capital

The aim of Probi's management of the capital structure is to be able to fulfil the Group's short and long-term obligations, to generate returns to shareholders and benefits for other stakeholders. It is also important to maintain a capital structure that minimises the cost of the capital. If the capital structure were to need adjustment in the future, this could be achieved through external borrowing, the issuance of new shares, share buybacks or changes to the dividend that is paid to shareholders.

Financial objectives as of 2015:

Growth

To generate growth that exceeds the market average. During 2015, Probi achieved growth of 60%. Adjusted for currency effects, the growth rate was 42%.

Margin

Growth is to be combined with a profit margin (EBITDA) exceeding 20%. Probi's EBITDA margin in 2015 was 32%. Adjusted for currency effects, the EBITDA margin was 27%.

The managed capital, defined as the total of the Group's net liabilities (interest-bearing liabilities less interest-bearing assets and cash and cash equivalents) and shareholders' equity, amounted to MSEK 44.2 (37.8) at year-end 2015. On that date, Probi had cash and cash equivalents of MSEK 143.0 (108.2) and no interest-bearing liabilities. Probi is not subject to any externally imposed capital requirements.

Note 6 Segment information

Probi's business operations are organised in two operating segments: Consumer Healthcare (CHC) and Functional Food (FF).

The Consumer Healthcare (CHC) segment develops, markets and sells Probi probiotics together with pharmaceutical companies and other companies specialised in probiotic and health and wellness products, under Probi's proprietary brands or its partners' brands. The Functional Food (FF) segment develops food that generates positive health effects. This operation is developed in partnership with

leading food companies in the aim of commercialising and marketing products with high volume potential.

There are no sales or other transactions between the various segments.

OPERATING INCOME PER OPERATING SEGMENT

Group 2015	CHC	FF	Total
Total operating revenue	182,215	38,469	220,684
Raw materials	-62,400	-720	-63,120
Salaries and other external costs	-63,757	-24,563	-88,320
Depreciation/amortisation and disposal	-3,792	-2,384	-6,176
Operating profit	52,266	10,802	63,068

Group 2014	CHC	FF	Total
Total operating revenue	101,352	36,400	137,752
Raw materials	-40,817	-860	-41,677
Salaries and other external costs	-37,266	-22,601	-59,867
Amortisation	-5,397	-3,762	-9,159
Operating profit	17,872	9,177	27,049

Probi has two customers who each account for more than 10% of the company's sales. The largest customer, with sales of KSEK 93,751 (9,524), is recognised in the Consumer Healthcare segment and the next largest, with sales of KSEK 31,539 (33,559) is recognised in the Functional Food segment.

OPERATING REVENUE DISTRIBUTED BY GEOGRAPHIC AREAS (GROUP)

Operating revenue	2015	2014
Sweden	50,670	52,685
Rest of Europe	18,640	15,854
North America	132,128	44,455
Rest of world	19,246	24,758
Total	220,684	137,752

Note 7 Revenue distribution

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Goods	170,095	91,718	170,095	91,718
Royalties, licenses, etc.	45,616	43,524	45,616	43,524
Net sales	215,711	135,242	215,711	135,242
Exchange gains	4,703	2,175	4,703	2,175
Other revenue	270	335	270	335
Total revenue	220,684	137,752	220,684	137,752

Note 8 Auditors' fees

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Deloitte				
Audit assignments	300	250	300	250
Audit-related services	38	64	38	64
Tax consultancy	47	119	47	119
Other services	28	11	28	11
Total auditor's fee	413	444	413	444

"Audit assignment" refers to the statutory auditing and fee for audit consultancy. "Audit-related services" refers to the review of management and financial information resulting from the legislation, Articles of Association, statutes and agreement which culminate in a report or any other document that is intended to be used as analytical material for parties other than the consultant. Everything else is classified as "Other assignments."

Note 9 Research and development

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Expensed research and development expenses	28,132	21,717	28,132	21,717

Note 10 Average number of employees, salaries, other remuneration and social security contributions

	AVERAGE NUMBER OF EMPLOYEES					
	THE GROUP		PARENT COMPANY SWEDEN		SUBSIDIARIES SINGAPORE	
	2015	2014	2015	2014	2015	2014
Women	21	17	21	17	–	–
Men	11	9	10	9	1	–
Total	32	26	31	26	1	–

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Board of Directors				
Jörn Andreas	169	113	169	113
Benedicte Fossum	169	150	169	150
Mats Lidgard	38	150	38	150
Per Lundin	100	300	100	300
Declan MacFadden	38	150	38	150
Jan Nilsson	169	150	169	150
Jonny Olsson	131	–	131	–
Jean-Yves Parisot	225	–	225	–
Eva Redhe	169	150	169	150
CEO				
Peter Nählstedt	2,188	1,441	2,188	1,441
Other management (3)	5,115	4,601	5,115	4,601
Other employees	17,850	13,057	17,651	13,057
Total	26,192	20,149	25,993	20,149

	2015	2014	2015	2014
Social security contributions, total:	12,877	9,785	12,862	9,785
Of which pension costs:	4,616	3,013	4,600	3,013
Board Members	–	–	–	–
CEO Peter Nählstedt	538	286	538	286
Other management (3)	1,263	1,135	1,263	1,135
Other employees	2,815	1,592	2,799	1,592

The CEO and an additional three senior executives are entitled to bonuses that may amount to a maximum of 50% of the fixed annual salary. The outcome is based on fulfillment of quantitative and qualitative goals established annually by the Board.

At 31 December 2015, KSEK 6,903 (5,065), including social security contributions, was reserved for bonuses to personnel. The amount will be paid in 2016 and distributed as follows: The CEO, KSEK 1,299 (646); senior executives (3) KSEK 2,334 (1,686), and other employees, KSEK 3,270 (2,733).

The notice period for the CEO is six months if given by the CEO. If notice is given by the company, the notice period is 12 months. The retirement age for the CEO is 65. The notice period for other senior executives varies between six and nine months if given by Probi, and between three and six months if given by the employee. There are no other severance pay or pension agreements within the company other than those described above.

The CEO's remuneration is determined by the Board of Directors and that of other management personnel by the CEO and the Chair-

man of the Board. The company has no outstanding and unrecognised pension commitments, as all pensions are defined-benefit pensions. Executive management comprises three men and one woman.

Note 11 Disposal of non-current assets

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Disposals	-106	-3,740	-106	-3,740
Total	-106	-3,740	-106	-3,740

In 2013, a study of common colds in children commenced, based on Probi's immunity booster product, Probi Defendum®. In 2014, the research company contracted to carry out the trial went bankrupt. As a result, the trial was not completed and Probi therefore discarded capitalised development expenditure of MSEK 3.7. The disposal in 2015 is for a finished application project.

Note 12 Financial income and expenses

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Interest income	128	1,021	128	1,021
Exchange-rate gains	3,120	627	3,120	627
Exchange-rate losses	-3,207	-607	-3,403	-412
Interest expenses	-19	–	-19	–
Total	22	1,041	-174	1,236

Note 13 Income tax

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Current tax for the year	-14,031	-6,355	-14,031	-6,355
Deferred tax	-20	30	–	–
Total	-14,051	-6,325	-14,031	-6,355
Profit before tax	63,090	28,090	62,926	28,223
Nominal tax rate 22.0%	-13,880	-6,179	-13,844	-6,209
Tax effect on other non-taxable or tax deductible income	-171	-146	-187	-146
Total	-14,051	-6,325	-14,031	-6,355

Note 14 Operational leasing agreements

Operational leasing agreements include rental contracts for premises, office equipment and car leasing. The nominal value of future minimum leasing costs in respect of operational leasing agreements is distributed as follows:

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Leasing costs for the year	3,524	3,086	3,524	3,086
Falls due for payment within one year	2,572	2,398	2,572	2,398
Falls due for payment after one, but within five years	7,233	9,219	7,233	9,219
Falls due for payment after more than five years	–	–	–	–

Note 15 Capitalised development expenses

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Opening cost	24,160	20,030	24,160	20,030
New acquisitions	15,763	7,870	15,763	7,870
Disposals	-636	-3,740	-636	-3,740
Closing accumulated cost	39,287	24,160	39,287	24,160
Opening amortisation	-5,820	-3,419	-5,820	-3,419
Amortisation for the year	-2,747	-2,401	-2,747	-2,401
Disposals	530	-	530	-
Closing accumulated amortisation	-8,037	-5,820	-8,037	-5,820
Closing residual value	31,250	18,340	31,250	18,340

Note 16 Patents and licenses

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Opening cost	63,758	61,882	63,758	61,882
New acquisitions	2,492	1,876	2,492	1,876
Closing accumulated cost	66,250	63,758	66,250	63,758
Opening amortisation	-54,848	-53,064	-54,848	-53,064
Amortisation for the year	-1,832	-1,784	-1,832	-1,784
Closing accumulated amortisation	-56,680	-54,848	-56,680	-54,848
Closing residual value	9,570	8,910	9,570	8,910

Closing residual value at 31 December 2015 pertains entirely to patents. The licenses related to the European rights that were repurchased from Skånemejerier for MSEK 40 in 2001 were amortised on a straight-line basis from the year of acquisition until 2012 and are now fully amortised.

Note 17 Improvements to leased property

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Expenditure on leased property	3,588	3,588	3,588	3,588
Opening cost	3,588	1,398	3,588	1,398
Acquisitions	-	2,225	-	2,225
Disposals	-	-35	-	-35
Closing accumulated cost	3,588	3,588	3,588	3,588
Opening amortisation	-1,436	-1,082	-1,436	-1,082
Amortisation	-453	-389	-453	-389
Amortisation of disposed acquisitions	-	35	-	35
Closing accumulated amortisation	-1,889	-1,436	-1,889	-1,436
Closing residual value	1,699	2,152	1,699	2,152

The expense is related to improvements in connection with the renovation and expansion of Probi's leased premises at Sölvegatan 41 A in Lund.

Note 18 Equipment and tools

INVENTORIES	THE GROUP PARENT COMPANY			
	2015	2014	2015	2014
Opening cost	9,037	7,828	9,037	7,828
Purchases	1,238	1,598	1,238	1,598
Sales	-	-146	-	-146
Disposals	-258	-243	-258	-243
Closing accumulated cost	10,017	9,037	10,017	9,037
Opening depreciation	-6,325	-5,785	-6,325	-5,785
Depreciation for the year	-1,037	-767	-1,037	-767
Depreciation of disposed equipment	227	227	227	227
Closing accumulated depreciation	-7,135	-6,325	-7,135	-6,325
Closing residual value	2,882	2,712	2,882	2,712

Note 19 Participations in Group companies

	2015	2014
Carrying amount	4,329	4,031

Specification of the Parent Company's shareholding in Group companies

	Share of equity	Share of votes	No. of shares	Carrying amount	Shareholders' equity
Probi Asia-Pacific Pte. Ltd. 201537643C, Singapore	1	1	50,000	298	320
Probi Food AB 556354-1951, Lund	1	1	10,000	3,931	3,935
Probi Feed AB 556540-4364, Lund	1	1	1,000	100	100

Note 20 Accounts receivable

Carrying amount corresponds to the fair value of accounts receivable. Probi's accounts receivable primarily refer to a few major licensing partners. The company does not consider these partners to constitute a significant credit risk. No accounts receivable were impaired in 2015 or 2014.

Maturity structure of accounts receivable	THE GROUP PARENT COMPANY			
	2015	2014	2015	2014
Not fallen due	25,580	23,177	25,766	23,177
Fallen due 0-45 days	852	2,146	870	2,146
Fallen due >45 days	498	-	499	-
Total	26,930	25,323	27,135	25,323

Note 21 Prepaid expenses and accrued income

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Prepaid rent	785	763	785	763
Accrued sales revenue	700	910	700	910
Insurance premiums	450	48	450	48
Returns and refunds reserve	1,429	–	1,429	–
Other items	462	348	451	348
Total	3,826	2,069	3,815	2,069

Note 22 Other long-term liabilities

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Liabilities to Group Companies, > five years	–	–	4,035	4,035
Total	–	–	4,035	4,035

Note 23 Accrued expenses and deferred income

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Accrued holiday pay including social security contributions	1,145	941	1,145	941
Social security contributions	576	486	576	486
Accrued administration and selling expenses	2,035	728	2,018	728
Returns and refunds reserve	4,330	–	4,330	–
Accrued variable remuneration to employees	6,903	5,065	6,903	5,065
Other items	562	457	563	457
Total	15,551	7,677	15,535	7,677

Note 24 Pledged assets and contingent liabilities

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Chattel mortgages	800	800	800	800
Bank guarantee, Swedish Customs	165	165	165	165
Total pledged assets	965	965	965	965

The company has no contingent liabilities.

Note 25 Related-party transactions

Transactions with related parties recognised in statement of comprehensive income:

	THE GROUP		PARENT COMPANY	
	2015	2014	2015	2014
Symrise AG (largest shareholder)	–29	–	–29	–
Lavindia AB, related party: Mats Lidgard (former Board member)	–	–13	–	–13
Atherioco AB, related party: Jan Nilsson (Board member and Chairman of Probi Scientific Advisory Board)	–60	–60	–60	–60
Total costs	–89	–73	–89	–73

The transactions above relate to consulting fees for Probi Scientific Advisory Board and for laboratory material. At 31 December 2015, Probi had a liability of SEK 38 (38) to Atherioco AB, which was recognised in the statement of financial position.

In addition to these transactions, the following Board fees were invoiced from own companies: Per Lundin (Chairman of the Board) from Vintage Management Nordic AB, Jonny Olsson (Board member) from Jonny Olsson Consulting, and Eva Redhe (Board member) from Redhe Financial Communications AB. The amounts are recognised in Note 10 "Average number of employees, salaries, other remuneration and social security contributions."

Note 26 Events after the balance-sheet date

No significant events took place after the balance-sheet date.

Signatures for the annual report

The Annual Report and consolidated financial statements were approved for issue by the Board on 17 March 2016. The consolidated statement of comprehensive income and the statement of financial position, as well as the Parent Company's income statement and balance sheet will be presented to the Annual General Meeting on 27 April 2016 for adoption.

The Board of Directors and CEO affirm that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and that they provide a true and fair view of the Group's financial

position and earnings. The Annual Report has been prepared in accordance with generally accepted accounting standards and provides a true and fair view of the Parent Company's financial position and earnings.

The Directors' Report for the Group and Parent Company provides a true and fair overall account of the development of the Group's and Parent Company's business, financial position and earnings and describes significant risks and uncertainties facing the Parent Company and the companies within the Group.

Lund, 17 March 2016

Jean-Yves Parisot
Chairman

Jörn Andreas

Benedicte Fossum

Jan Nilsson

Jonny Nilsson

Eva Redhe

Peter Nählstedt
CEO

Our auditor's report was submitted on 17 March 2016
Deloitte AB

Per-Arne Pettersson
Authorized Public Accountant

Auditors' Report

To the annual meeting of the shareholders of Probi AB (publ), Corporate Registration Number 556417-7540

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Probi AB (publ) for the financial year from 1 January 2015 to 31 December 2015, with the exception of the corporate governance report.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The auditor chooses such procedures based on such assessments as the risk of material misstatement in the annual accounts and consolidated financial statements, whether such misstatement is due to fraud or error. In making these risk assessments, the auditor considers internal control measures relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate taking the circumstances into account, but not for the purpose of expressing an opinion on the effectiveness of

the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The Director's Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Probi AB (publ) for the financial year from 1 January 2015 to 31 December 2015. We also conducted a statutory review of the corporate governance report.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal concerning the appropriation of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act and for ensuring that the corporate governance report has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal complies with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Furthermore, we have read the corporate governance report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory Director's Report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

A corporate governance report has been prepared, and its statutory information corresponds to the other sections of the annual accounts and the consolidated accounts.

Malmö, 17 March 2016
Deloitte AB

Per-Arne Pettersson
Authorised Public Accountant

Board of Directors



Jean-Yves Parisot

Chairman of the Board, born 1964.

Education: MBA and DVM (Doctor in Veterinary Medicine)

History: Chairman of the Board since 2015. CEO of Diana, a division of the Symrise Group. Formerly held executive positions at Air Liquide, Danisco, Rhodia, Rhône-Poulenc, Merial and Pfizer.

Other Board assignments: No.

Shares in the company: –

Independent in relation to the company: Yes.

Independent in relation to major shareholders: No.



Benedicte Fossum

Board member, born 1962.

Education: Veterinarian, Norway School of Veterinary Science.

History: Board member since 2011. Independent consulting company. Formerly held positions including Director of Strategic Development at PHARMAQ AS and various executive positions at Alpharma AS and the Norwegian Medicines Agency.

Other Board assignments: Bionor Pharma ASA, Smartfish AS, Patogen AS, Sea Lice Research Centre, Foinco AS and Mittas AS.

Shares in the company: –

Independent in relation to the company: Yes.

Independent in relation to major shareholders: Yes.



Eva Redhe

Board member, born 1962.

Education: Holds a Master of Business Administration degree, Stockholm School of Economics.

History: Board member since 2011. Formerly Executive Chairman and CEO of Erik Penser Fondkommission AB, founder and President of Mercurius Financial Communications AB, as well as corporate finance and IR positions within Investor AB. Experience from some 20 Board assignments in listed and private companies.

Other Board assignments: Chairman of the Board of Spago Nanomedical AB (publ) and Ftrack AB, Board member of Pled Pharma AB, Starbreeze AB, Axel Christiernsson International AB, Temaplan Asset Management Holding AB, D Carnegie AB and the First Swedish Pension Insurance Fund.

Shares in the company: 4,000 shares.

Independent in relation to the company: Yes.

Independent in relation to major shareholders: Yes.



Jan Nilsson

Board member, born 1953.

Education: Medical programme and Doctor of Medicine, Karolinska Institute.

History: Board member since 2010. Professor of Experimental Cardiovascular Research at Lund University. Formerly held such positions as Dean of the Faculty of Medicine at Lund University, 2000–2005, and Assistant Head Secretary for the Medical Research Council, 1993–1996.

Other Board assignments: Atherioco AB, MedScienta AB, PetaJoule AB and the Swedish Research Council

Shares in the company: –

Independent in relation to the company: Yes.

Independent in relation to major shareholders: Yes.



Jörn Andreas

Board member, born 1980.

Education: PhD in economics, Karlsruhe Institute of Technology (KIT), Karlsruhe, Germany.

History: Board member since 2014. Chief Integration Officer and Vice President Finance, Symrise Aroma Molecules Division, Jacksonville, USA. Previously worked at The Boston Consulting Group, Hamburg, Germany and Bayer AG, Leverkusen, Germany.

Other Board assignments: –

Shares in the company: –

Independent in relation to the company: Yes.

Independent in relation to major shareholders: No.



Jonny Olsson

Board member, born 1964.

Education: Master of Business Administration degree

History: Board member since 2015. Owner and CEO of Jonny Olsson Consulting AB. Previously held executive positions in Tetra Pak, Oriflame and Ericsson.

Other Board assignments: Creative Food Solutions, Ortelius Management, NGI Denmark, Liquid Consulting Inc & AB.

Shares in the company: 1,000 shares.

Independent in relation to the company: Yes.

Independent in relation to major shareholders: Yes.

Management



Peter Nählstedt

CEO, born 1974.

Education: Master of Science in Chemical Engineering and BSc in Economics from Lund University.

History: Peter Nählstedt assumed the position of CEO of Probi in January 2014. Peter Nählstedt has extensive experience in the international Life Science industry from his various executive positions in the US and Sweden within strategy, marketing and sales at GE Healthcare Life Science. Peter Nählstedt was previously employed at Trelleborg Marine Systems, where he was responsible for the operations in Europe, South America and North Africa.

Shares in the company: 3,500 shares.



Gun-Britt Fransson

Vice President of Research and Development, born 1953.

Education: PhD in Nutrition from Uppsala University.

History: Gun-Britt Fransson was employed in February 2012 and was given responsibility for the company's Research and Development Department. Gun-Britt Fransson has extensive experience from senior positions in the food, pharmaceutical and biotechnology industry and served for more than 10 years as Director of Research at Procordia Food AB and Orkla Foods AS. She joined Probi from a position as CEO of Alligator Bioscience AB in Lund, a position she had held for six years.

Shares in the company: 2,100 shares.



Niklas Brandt

CFO, born 1959

Education: Business Administration degree from Lund University.

History: Niklas Brandt was employed as CFO in 2008. He joined the company from Moving AB, where he was CFO for six years. Prior to this, he held a number of senior positions in finance and administration in various companies, such as Tibnor and EF Education.

Shares in the company: 1,000 shares.



Niklas Bjärum

Vice President of Research and Development, born 1963.

Education: Degree in International Business Administration from Lund University.

History: Niklas Bjärum was employed in 2001 and was given responsibility for the company's Marketing and Sales Department. After receiving his degree in 1988, Niklas held a number of positions in marketing, sales and business development of both an operational and strategic nature at international food companies, such as Nestlé and Masterfoods (Mars Inc.). In 1998, he changed industries and worked at Ericsson Mobile Communications for three years, where he was responsible for business development for the European market.

Shares in the company: 4,150 shares.



Linda Neckmar

Vice President of Operations, born 1973.

Education: Master of Science in Chemical Engineering from Lund University.

History: Linda Neckmar assumed the position as Vice President of Operations at Probi in January 2016. Linda Neckmar has extensive experience from the biotechnology industry, in pharmaceutical development and international business development, marketing and sales. Linda was employed at Probi in 2011 with responsibility for Marketing and Sales Consumer Healthcare. Prior to this, she worked at BioInvent International AB and OxiGene Inc.

Shares in the company: 1,000 shares.

Annual General Meeting

The Annual General Meeting will be held on Wednesday 27 April 2016 at 3:00 p.m. at Elite Hotel, Ideon Gateway, Scheelevägen 27, Lund.

Right to participate

To be entitled to participate in the Annual General Meeting, shareholders must be registered in the shareholders' register maintained by Euroclear Sweden AB as of Thursday 21 April 2016 and shall have notified the company of their intention to participate not later than Thursday 21 April 2016 at 4:00 p.m.

Shareholders whose shares are registered with a trustee must temporarily re-register their shares in their own name with Euroclear Sweden AB in order to participate in the Meeting. Such registration must be com-

pleted not later than Thursday 21 April 2016. This means that shareholders must notify the trustee of their intention to temporarily re-register these shares in ample time before this date.

Notification of participation

Notification of participation in the Meeting can be made:

- in writing under address Annual General Meeting, Probi AB, Ideon Gamma 1, SE-223 70 Lund
- by e-mail to: probi@probi.se
- by calling +46 (0)46 286 89 70

The notification should include the following:

- name
- civic registration number or corporate registration number
- number of shares
- daytime telephone number
- where applicable, the number of advisors (max. two) intending to participate in the Meeting.

If shareholders intend to be represented by proxy, a power of attorney and other authorisation documents must be included with the application. The name of the proxy must be provided. A power of attorney form is available upon request.

Financial calendar for 2016

Interim report Q1, 2016

27 April 2016

Annual General Meeting 2015

27 April 2016

Interim report Q2, 2016

15 July 2016

Interim report Q3, 2016

25 October 2016

Year-end report 2016

24 January 2017

DESIGN: GIV AKT

TEXT: ASPEKTA

PHOTOS: PETER WESTRUP, FREDRIK BJELKERUD, SHUTTERSTOCK, PROBI

PRINTER: ARKITEKTOPIA, MALMÖ 2016



Probi AB
Ideon Gamma 1
SE-223 70 Lund

Visiting address:
Sölvegatan 41 A, Lund

Phone +46 (0)286 89 20
Fax +46 (0)286 89 28

E-mail probi@probi.se
Website www.probi.com