

Symrise AG's offer to the shareholders of Probi AB (publ)

Financial Advisor

Lazard

IMPORTANT INFORMATION

General

Symrise AG, with commercial registration number HRB 200436 and domiciled in Holzminden, Germany, (“**Symrise**”), has made a cash offer for all shares in Probi AB (publ) (a Swedish public limited liability company, with registration number 556417-7540) (“**Probi**” or the “**Company**”) in accordance with the conditions set out in this offer document (the “**Offer**”).

The Offer, as well as the agreements entered into between Symrise and the shareholders of Probi for the purpose of the Offer, shall be governed by and interpreted in accordance with Swedish law. Any dispute regarding the Offer or such agreements, or which arises in connection therewith, shall be settled exclusively by Swedish courts, and the District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

Nasdaq Stockholm’s Takeover Rules (the “**Takeover Rules**”) and the Swedish Securities Council’s (Sw. *Aktiemarknadsnämnden*) rulings and statements on the interpretation and application of the Takeover Rules are applicable to the Offer. Symrise has, in accordance with the Swedish Takeover Act (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), on 15 November 2024 contractually undertaken, in writing, to Nasdaq Stockholm AB (“**Nasdaq Stockholm**”) to comply with the Takeover Rules and to submit to any sanctions that can be imposed on Symrise by Nasdaq Stockholm in the event of a breach of the Takeover Rules. Symrise has on 20 November 2024 informed the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) about the Offer and the above-mentioned undertaking to Nasdaq Stockholm.

A Swedish language version of this offer document has been approved and registered by the SFSA in accordance with the regulations in Chapter 2 of the Swedish Takeover Act and Chapter 2 a of the Swedish Financial Instruments Trading Act (Sw. *lagen (1991:980) om handel med finansiella instrument*). The approval of this offer document and the registration with the SFSA do not imply that the SFSA guarantees that the factual information provided in the offer document is correct or complete. In the event of any discrepancy in content between the Swedish original and this English translation, the Swedish version shall prevail.

The information in this offer document is considered to be accurate, although not complete, only as of the day of the offer document. It is not implied that the information has been or will be accurate at any other time. Except as required by the Takeover Rules or applicable law or regulation, Symrise expressly disclaims any obligation or undertaking to publicly announce updates, revisions or amendments regarding the offer document. The information in the offer document is provided solely with respect to the Offer and is not permitted to be used for any other purpose.

Symrise does not guarantee that the information included herein with respect to Probi is accurate or complete and does not take any responsibility for such information being accurate or complete, other than what may follow from applicable law or regulations. Except where this is expressly stated in the offer document, no information in the offer document has been reviewed or audited by Probi’s auditor.

Lazard AB (“**Lazard**”) is financial advisor to Symrise and no one else, in connection with the Offer. Lazard is not responsible to anyone other than Symrise for advice in connection with the Offer, nor is Lazard responsible for providing the protections afforded to clients of Lazard to any other person in relation to such Offer. The information contained in the offer document has been provided by Symrise and, as regards such parts that relate to the Company, derives from Probi’s publicly available information. The information in this offer document has not been verified independently by Lazard and does not constitute any recommendation from Lazard to the recipients or to any other person. None of Lazard, or any of its affiliates, or its or any of its affiliates’ respective employees, board members, officers, vendors, advisors, members, successors, representatives or agents, provides any guarantee, explicitly or implicitly, when it comes to the correctness or completeness of the information in this offer document, and each of them disclaims all liability (including direct, indirect, consequential damages or any other loss) as a result of such information.

The figures reported in the offer document have been rounded as appropriate. This means that some tables may not add up correctly. All information in the offer document regarding shareholdings in Probi is based on 11,394,125 outstanding shares in Probi, unless stated otherwise.

Forward-looking statements

Statements in the offer document relating to future status or circumstances, including statements regarding future performance, growth and other trend projections and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential and other effects of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as “anticipates”, “intends”, “expects”, “believes”, “estimates”, “plans”, “will be” or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results and developments may differ materially from those expressed in, or implied or projected by these forward-looking statements due to many factors, many of which are outside the control of Symrise. Forward-looking statements appear in a number of places throughout this offer document and the information incorporated by reference into this offer document and may include statements regarding the intentions, beliefs or current expectations of Symrise or Probi concerning, amongst other things: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies, the expansion and growth of Symrise’s or Probi’s business operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation and industry changes on the business of Symrise or Probi.

Any forward-looking statements made herein speak only as of the date on which they are announced. Except as required by the Takeover Rules or applicable law or regulations, Symrise expressly disclaims any obligation or undertaking to publicly announce updates or revisions to any forward-looking statements contained in the offer document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Symrise or Probi have made or may make.

Offer restrictions

The offer document is not an offer, whether directly or indirectly, in Australia, Canada, Hong Kong, New Zealand, Japan, Singapore, South Africa, South Korea, Russia, Belarus or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law (the “**Restricted Jurisdiction**”). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences. Shareholders should refer to the offer restrictions included in the section “*Offer restrictions*” on pages 52–53. The Offer, the information and documents contained in this offer document are not being made and have not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (the “**FSMA**”). Accordingly, the information and documents contained in this offer document are not being distributed to, and must not be passed on to, the general public in the United Kingdom, unless an exemption applies. The communication of the information and documents contained in this offer document is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire day to day control of the affairs of a body corporate; or to acquire 50 per cent or more of the voting shares in a body corporate, within article 62 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

Important notice to shareholders in the United States of America

Shareholders in the United States of America should also refer to the section “*Important notice to shareholders in the United States of America*” on pages 54–55.

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The Offer in brief

The Offer Price:	SEK 350 in cash for each share in Probi
The acceptance period:	18 December 2024–15 January 2025
Settlement date:	20 January 2025

The Offer to the shareholders of Probi

INTRODUCTION

On 20 November 2024, Symrise AG, with commercial registration number HRB 200436 (“**Symrise**”), announced a public offer to the shareholders of Probi AB (publ), Reg. No. 556417-7540 (“**Probi**” or the “**Company**”) to tender all their shares in Probi at a price of SEK 350 in cash per share (the “**Offer**”). The shares in Probi are admitted to trading on Nasdaq Stockholm, Mid Cap, under the ticker PROB.

CONSIDERATION

Symrise offers SEK 350 in cash per Probi share (the “**Offer Price**”). The Offer comprises all issued shares in Probi that Symrise does not hold, corresponding to 3,136,295 shares in total as of the date of this offer document.

Should Probi, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the Offer Price will be reduced accordingly.

No commission will be charged in connection with settlement of the Offer.

A shareholder who wishes to accept the Offer but does not wish to wait for settlement may seek to sell its shares in the market. Symrise may acquire, or enter into agreements to acquire, shares in Probi (or any securities that are convertible into, exchangeable for or exercisable for shares in Probi) outside the Offer, but in any event, at a price per share not higher than the Offer Price. Any purchases made will be in accordance with Swedish law and the Takeover Rules and will be disclosed in accordance with applicable rules.

PREMIUM

The Offer Price of SEK 350 per share represents a premium of¹:

- approximately 42 per cent compared to the closing price of SEK 246 of Probi shares on Nasdaq Stockholm on 19 November 2024, which was the last trading day prior to the announcement of the Offer;
- approximately 31 per cent compared to the volume-weighted average trading price of SEK 267 of Probi shares on Nasdaq Stockholm during the last month prior to the announcement of the Offer; and
- approximately 33 per cent compared to the volume-weighted average trading price of SEK 264 of Probi shares on Nasdaq Stockholm during the last three months prior to the announcement of the Offer.

During the last 12 months prior to the announcement of the Offer, shares representing approximately 1 per cent of outstanding shares have traded on Nasdaq Stockholm.

TOTAL VALUE OF THE OFFER

The total value of the Offer is approximately SEK 1,098 million, excluding shares in Probi held by Symrise as of the date of this offer document.² The Offer values Probi at approximately SEK 3,988 million, based on 11,394,125 outstanding shares in Probi in total.

FINANCING OF THE OFFER

The Offer is not subject to any financing conditions. The cash consideration payable to the Company’s shareholders under the terms of the Offer will be financed by available cash and existing credit facilities of Symrise.

MANAGEMENT AND EMPLOYEES

Symrise has strong confidence in Probi’s management and employees, and believes a

¹ Source for Probi’s share prices: Nasdaq Stockholm.

² As of the announcement of the Offer on 20 November 2024, Symrise held 7,936,210 shares in Probi. Symrise has, after the announcement of the Offer and prior to the

date of this offer document, acquired an additional 321,620 shares in Probi, see further the section “– *Symrise’s shareholding in Probi*”.

combination with Symrise will enable the Company to maximize its potential. Symrise, as full owner of Probi, intends to invest further in Probi, and its employees, as a key component within Symrise's focused strategy in health. As of the date of this offer document, Symrise does not plan any changes (in the short or long term) regarding Probi's operations or the companies' management or employees as a result of the Offer (including material changes to employment terms and conditions) or for the locations where Probi operates.

ACCEPTANCE LEVEL IN THE OFFER

Completion of the Offer is conditional upon, *inter alia*, the Offer being accepted to such extent that Symrise becomes the owner of shares in Probi representing more than 90 per cent of the total number of shares in Probi (on a fully diluted basis). Symrise reserves the right to waive the condition to complete the Offer at a lower level of acceptance. For further information, see the section "*Terms and conditions – Condition for completion of the Offer*".

RECOMMENDATION FROM THE INDEPENDENT BID COMMITTEE OF PROBI AND FAIRNESS OPINION

The committee comprised of the independent board members of Probi unanimously recommends the shareholders of Probi to accept the Offer.³ The bid committee has further obtained a fairness opinion from Grant Thornton Sweden AB regarding the Offer stating that the Offer is fair from a financial point of view to the shareholders of Probi. Reference is made to a press release from the independent bid committee of Probi published on 13 December 2024. The recommendation and the fairness opinion can be found on pages 6–10.

³ Probi's chairman of the board, Jean-Yves Parisot, is the CEO of Symrise, and the board member Jörn Andreas was until recently a board member of Symrise. Jean-Yves Parisot and Jörn Andreas are accordingly deemed to have a conflict of interest pursuant to Rule II.18 of the Takeover Rules and have not participated in, and will not participate

SYMRISE'S SHAREHOLDING IN PROBI

As of the date of this offer document, Symrise holds 8,257,830 shares in Probi, corresponding to approximately 72.5 per cent of the outstanding capital and votes in Probi.

As of the announcement of the Offer, Symrise held 7,936,210 shares in Probi, corresponding to approximately 69.7 per cent of the outstanding capital and votes in Probi. Symrise has, after the announcement of the Offer and prior to the date of this offer document, acquired 321,620 shares in Probi at prices not exceeding the Offer Price. Together with the undertakings to accept the Offer obtained from the shareholders Fjärde AP-fonden and Moneta Asset Management, representing in aggregate approximately 17.7 per cent of the outstanding capital and votes in Probi (see the section "*Undertakings*"), Symrise has secured approximately 90.2 per cent of the outstanding capital and votes in Probi.

Other than what is stated in the previous paragraphs, neither Symrise nor any closely related party to Symrise owns any shares or other financial instruments that provide a financial exposure equivalent to a shareholding in Probi. Neither Symrise nor any closely related party to Symrise has further acquired, or undertaken to acquire, shares in Probi or any other financial instruments that provide a financial exposure equivalent to a shareholding in Probi on terms more favourable than the terms of the Offer during the latest six months before the announcement of the Offer.

UNDERTAKINGS

Symrise has obtained undertakings to accept the Offer from Probi's largest shareholders after Symrise, Fjärde AP-fonden and Moneta Asset Management. Fjärde AP-fonden has undertaken to tender 1,057,188 shares (approximately 9.3 per cent of the outstanding capital and votes in Probi) and Moneta Asset Management has undertaken to tender 960,181 shares

in, the board of Probi's handling of or decisions regarding the Offer.

(approximately 8.4 per cent of the outstanding capital and votes in Probi). Accordingly, undertakings to accept the Offer from shareholders representing in total 2,017,369 shares and approximately 17.7 per cent of the outstanding capital and votes in Probi, have been obtained. The undertakings will terminate if the Offer has not been declared unconditional on or before 31 March 2025. The undertakings will also terminate if (i) a competing offer is announced exceeding the Offer Price per share and (ii) Symrise does not, within five business days of announcement, match such competing offer.

Symrise has undertaken towards Fjärde AP-fonden and Moneta Asset Management not to, during a period of two years following final settlement of the Offer, divest any shares in the Company for a price higher than the Offer Price.

APPROVALS FROM AUTHORITIES

The completion of the Offer is conditional upon, *inter alia*, the receipt of all regulatory, governmental or similar clearances, approvals and decisions that are necessary for the Offer and the acquisition of Probi. Symrise has filed the transaction with the Swedish Inspectorate of Strategic Products. Clearance by the Inspectorate of Strategic Products is expected to have been received by the end of the acceptance period for the Offer.

CERTAIN CLOSELY RELATED PARTY MATTERS

Symrise is the parent company of Probi. Probi's chairman of the board, Jean-Yves Parisot, is also the CEO of Symrise and is thus deemed to participate in the Offer. This means that Section III of the Takeover Rules is applicable to the Offer, entailing that the acceptance period must be at least four weeks and that Probi is obligated to obtain and announce a valuation (a fairness opinion) regarding the Offer from an independent expert. The independent committee has obtained such fairness opinion from Grant Thornton Sweden AB regarding the Offer stating that the Offer is fair from a financial point of view to the shareholders of Probi. The fairness opinion can be found on pages 9–10.

GOVERNING LAW AND DISPUTES

The Offer and the agreements entered into between Symrise and Probi's shareholders in relation to the Offer, shall be governed by and be interpreted in accordance with Swedish law. Disputes concerning, or arising in connection with the Offer, shall be settled exclusively by Swedish courts, with the Stockholm District Court as first instance.

The Takeover Rules and the Swedish Securities Council's rulings and statements on the interpretation and application of the Takeover Rules are applicable to the Offer. Symrise has, in accordance with the Swedish Takeover Act (Sw. *lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*), on 15 November 2024, undertaken, in writing, to Nasdaq Stockholm to comply with the Takeover Rules and to submit to any sanctions that can be imposed on Symrise by Nasdaq Stockholm in the event of a breach of the Takeover Rules.

ADVISORS

Symrise has retained Lazard as financial advisor and Advokatfirman Vinge as legal advisor in connection with the Offer.

Background to and strategic rationale for the Offer

Symrise has been a shareholder in Probi since August 2012, and the majority owner since 2015, currently owning 8,257,830 shares, corresponding to approximately 72.5 per cent of the outstanding capital and votes in Probi. Through its active involvement, Symrise has deep knowledge and understanding of Probi, its operations, and the market it operates in.

As a majority owner, Symrise has acted with a long-term perspective in the best interests of the Company, its employees and its shareholders. As a long-term shareholder, Symrise continues to believe in Probi since the Company has a very attractive product offering that makes the health-enhancing benefits of probiotics available to people everywhere, and a fantastic global team. Consequently, and in line with Symrise's ambition to invest in new areas of dynamic growth such as Health Active Solutions, Symrise sees that Probi, together with its employees, would be better suited in a private environment with a strong and focused ownership structure.

Symrise believes that there is further potential to continue to develop the Company's attractive product offering in the Symrise group, as a driver to Symrise's focused strategy in health and, in particular, probiotics.

Furthermore, Symrise sees both an advantage and additional efficiencies in the fact that the Company's management can fully focus on further developing the business as part of Symrise. In the current climate, including a very limited free float and liquidity in the share, Probi is no longer in a position to take advantage of what a market listing of the share can offer.

Through the Offer, an opportunity is provided for all shareholders to tender their shares at a premium to current and historical share prices, at an attractive valuation.

For further information, please refer to the information in this offer document, which has been prepared by the Board of Directors of Symrise in connection with the Offer. The description of Probi on pages 16–31 in the offer document has been reviewed by the independent bid committee of Probi. The Board of Directors of Symrise confirms that, to the best of its knowledge, the information in this offer document regarding Symrise corresponds to the actual conditions.

17 December 2024

Symrise AG

The Board of Directors

Recommendation from the independent bid committee of Probi



PRESS RELEASE

13 December 2024

Statement from the independent bid committee of Probi in relation to the public takeover offer by Symrise

The independent bid committee of Probi AB (publ) ("Probi" or the "Company") unanimously recommends the shareholders of Probi to accept the cash-based public takeover offer submitted by Symrise AG ("Symrise") on 20 November 2024.

Background

This statement is made by the independent bid committee of Probi pursuant to Nasdaq Stockholm's Takeover Rules (the "Takeover Rules").

On 20 November 2024, Probi's principal shareholder and parent company Symrise announced that Symrise is making a public takeover offer to the shareholders of Probi for SEK 350 per Probi share (the "Offer").

Probi's largest shareholders after Symrise, Fjärde AP-fonden and Moneta Asset Management, respectively, representing in aggregate approximately 17.7 per cent of the outstanding capital and votes in Probi, have irrevocably undertaken to accept the Offer, subject to certain conditions.

On 26 November 2024 Symrise announced that Symrise has secured approximately 90.2 per cent of the outstanding capital and votes in Probi.

The Offer represents:

- A premium of approximately 42 per cent compared to the closing price of SEK 246 of Probi shares on Nasdaq Stockholm on 19 November 2024, which was the last trading day prior to the announcement of the Offer;
- A premium of approximately 31 per cent compared to the volume-weighted average share price of SEK 267 of Probi shares on Nasdaq Stockholm during the last month prior to the announcement of the Offer; and
- A premium of approximately 33 per cent compared to the volume-weighted average share price of SEK 264 of Probi shares on Nasdaq Stockholm during the last three months prior to the announcement of the Offer.

The Offer values all 11,394,125 shares in Probi at approximately SEK 3,988 million.

The acceptance period for the Offer is expected to commence on 18 December 2024 and end on or about 15 January 2025.

Completion of the Offer is conditional upon, amongst other things, Symrise becoming the owner of more than 90 per cent of the total number of shares in Probi and the receipt of all necessary regulatory, governmental or similar clearances, approvals, decisions and other actions from authorities or similar, in each case on terms which, in Symrise's opinion, are acceptable. Symrise has reserved the right to, in whole or in part, waive these and other conditions for completion of the Offer.

For further information, please refer to Symrise's press release, www.symrise.com/probi.

The independent bid committee

In order to address matters relating to the Offer, the Board has instructed the independent members of the Board to form an independent bid committee, consisting of Charlotte Hansson, Malin Ruijsenaars and Stephanie Blum

Sperisen. Due to their employment and recent employment, respectively, with the Symrise group, the chairperson of the Board of Probi, Jean-Yves Parisot, and the Board member Jörn Andreas may have conflicting interests pursuant to Rule II.18 of the Takeover Rules and are hence not part of the independent bid committee and have thus not participated in the handling of or decisions on matters related to the Offer. Accordingly, section III of the Takeover Rules is applicable on the Offer. The independent bid committee has therefore, in accordance with Rule III.3 of the Takeover Rules, requested a fairness opinion from Grant Thornton Sweden AB ("**Grant Thornton**"), according to which the Offer is fair from a financial point of view for the shareholders of the Company. The fairness opinion is attached to this statement. Grant Thornton receives a fixed fee for providing the fairness opinion which is not contingent upon the amount of the Offer price, the acceptance level of the Offer or whether it is completed or not.

Impact on the Company and its employees

In accordance with the Takeover Rules the independent bid committee is required, on the basis of Symrise's statement in the press release announcing the Offer, to present its opinion regarding the impact that the implementation of the Offer will have on Probi, particularly on terms of employment, and its opinion regarding Symrise's strategic plans for the Company and the effect it is anticipated that such plans will have on employment and on the locations where Probi operates. In this regard, Symrise has stated, among other things, the following:

"Symrise has strong confidence in Probi's management and employees, and believes a combination with Symrise will enable the Company to maximize its potential. Symrise, as full owner of Probi, intends to invest further in Probi, and its employees, as a key component within Symrise's focused strategy in health. Symrise does not plan any changes regarding Probi's operations or its management or employees as a result of the Offer (including employment terms and conditions) or for the locations where Probi operates."

The independent bid committee assumes that this description is accurate and has for relevant purposes no reason to adopt a different opinion.

The independent bid committee's statement on Symrise's Offer

In its evaluation of the Offer, the independent bid committee has taken a number of factors into account which they deem relevant, including, but not limited to, the Company's present strategic and financial position, prevailing market conditions and the Company's expected future development as well as opportunities and risks related thereto. The independent bid committee has considered valuation methods normally used to evaluate public offers for listed companies, including how the Offer values Probi in relation to comparable listed companies and comparable transactions, bid premiums in previous public takeover offers, the stock market's expectations regarding the Company and the independent bid committee's view of the Company's value based on its expected future cash flows.

During 2023 Probi updated its strategy and presented new financial targets, with the aim to achieve sustainable and profitable growth. The independent bid committee has full confidence in management's ability to execute on Probi's current strategy and to deliver on the Company's financial targets and acknowledges the Company's achievements to date, but also recognises that there are risks related thereto.

In particular, and in addition to the above, the independent bid committee wishes to highlight the following considerations made in connection with their evaluation of the Offer.

Considerations regarding historical trading

During the last year before the announcement of the Offer, the Probi share has not exceeded the Offer price of SEK 350 per share. The independent bid committee notes that during this period, approximately 1 per cent of the total outstanding shares in Probi has been traded on Nasdaq Stockholm, and that there generally is low liquidity in the share. The independent bid committee thus concludes that the Offer provides liquidity to the current shareholders at a level above historical prices.

Considerations regarding bid premium

The Offer represents a premium of approximately 42 per cent compared to the closing price of Probi's shares on Nasdaq Stockholm on 19 November 2024, the last trading day prior to the announcement of the Offer, and a premium of 31 per cent and 33 per cent compared to the volume-weighted average share price of Probi's shares on Nasdaq Stockholm during the last month and three months, respectively, prior to the announcement of the Offer. The independent bid committee notes that the bid premiums are in line with other announced public cash offers on Nasdaq Stockholm in recent time.

Considerations regarding the long-term value of Probi

While the independent bid committee is fully committed to Probi's current financial targets and has a positive general view on the outlook for the Company, realising the long-term value of the independent bid committee's view of Probi's future cash flows is associated with risks. The independent bid committee cannot argue that the risk adjusted long-term value potential for the Company exceeds the value of the Offer.

Implications for shareholders

The independent bid committee notes that Symrise has secured more than 90 per cent of the outstanding capital and votes in Probi in aggregate, through a combination of their own ownership, undertakings from Fjärde AP-fonden and Moneta Asset Management subject to certain conditions, and acquisitions in the market. As stated in the Offer announced by Symrise on 20 November 2024, if Symrise, whether in connection with the Offer or otherwise, acquires shares representing more than 90 per cent of the total number of capital and votes in Probi, Symrise intends to commence compulsory redemption proceedings under the Swedish Companies Act to acquire all remaining shares in Probi and to promote delisting of Probi's shares from Nasdaq Stockholm. This means that upon completion of the Offer, all shareholders, whether they tender their shares in the Offer or not, are expected to have their shares redeemed at the Offer price of SEK 350 per share. The independent bid committee notes that, in general, accepting the Offer during the acceptance period will result in the shareholder receiving the cash consideration faster than through the compulsory redemption process.

The independent bid committee has further considered the fairness opinion issued by Grant Thornton according to which the Offer is deemed fair for Probi's shareholders from a financial perspective (subject to the assumptions and considerations set forth therein).

The independent bid committee's recommendation on Symrise's Offer

In view of the above, the independent bid committee unanimously recommends the shareholders of Probi to accept the Offer.

Other

Swedish law applies to this statement and the statement shall be construed accordingly. Disputes arising pursuant to this statement are to be settled exclusively by Swedish courts.

Advisors

The independent bid committee has retained Carnegie Investment Bank AB (publ) as its financial adviser and Grant Thornton Sweden AB to render the fairness opinion and Mannheimer Swartling Advokatbyrå as its legal adviser.

For further information, please contact:

Charlotte Hansson, Chairperson of the independent bid committee, Telephone: +46 (0)73 061 20 25, charlotte.hansson@scandinavianinsight.se

ABOUT PROBI

Probi® is a global biotics solutions company, focused on researching, manufacturing, and delivering biotics for supplements and functional food. Founded on science, and together with customers and research partners, Probi is striving towards a future in which as many people as possible can take control of their gut microbiome - so that they can live better lives for longer. Since its founding in 1991 at Sweden's Lund University, Probi has expanded its operations to more than 40 markets, and holds almost 400 patents globally. Probi had sales of 628 MSEK in 2023. Probi's shares are listed on Nasdaq Stockholm, Mid-cap, and there were around 3,400 shareholders on December 31, 2023.

Fairness opinion from Grant Thornton Sweden AB



To the Independent Bid Committee of

Probi AB
Ideongatan 1 A
223 70 Lund

December 13, 2024

Grant Thornton Sweden AB
Box 7623
103 94 Stockholm
T 08-563 070 00
www.grantthornton.se/radgivning/

To the Independent Bid Committee of Probi AB

As of November 20, 2024, Symrise AG, announced a public offer of SEK 350 in cash per share (the "Offer") to the shareholders of Probi AB ("Probi" or the "Company"). The shares in Probi are listed on Nasdaq Stockholm, Mid Cap.

We, Grant Thornton Sweden AB ("Grant Thornton" or "we"), as an independent expert, has been assigned by the Independent Bid Committee of Probi to assess the fairness of the Offer from a financial perspective.

Our assessment of the market value has included, inter alia, valuation based on the income approach, market approach and analysis of the Company's historic share price.

As basis for our assessment, we have reviewed the following information:

1. The terms of the Offer
2. Publicly available information about Probi, e.g., annual reports and interim reports
3. Internal information such as company presentation, market analysis, business plan and forecasts
4. Information from the Company's management
5. Price and volume information for the Probi share
6. Information from the financial database LSEG Workspace
7. Analyst reports regarding the Probi share
8. Other analyses and information that we have deemed as relevant for the fairness opinion

We have relied upon the accuracy and the completeness of the information provided and otherwise made available to us by representatives of the Company. Grant Thornton do not assume any responsibility for the accuracy in the received information. Changes in the circumstances mentioned may affect the conditions that have formed the basis of our value assessment.

This opinion is addressed to the Independent Bid Committee of Probi for the purpose of serving as a basis for its position regarding the Offer and we do not accept any responsibility for its use for other purposes than this.



Our opinion is based on the market conditions and other conditions, as well as the information provided to us, as at the date of this report. We do not assume any responsibility for any events after this date.

We have not acted as a financial advisor to Probi in connection with the Offer. Our fee for this assignment is not dependent on a decision of the completion of the Offer.

Subject to the foregoing conditions and limitations, it is Grant Thornton's opinion that the Offer as of this date, from a financial point of view, is fair to the shareholders of Probi.

Grant Thornton Sweden AB

Mats Fagerlund
Partner

Terms and conditions

CONSIDERATION

Symrise offers SEK 350 in cash per Probi share. The Offer comprises all issued shares in Probi that Symrise does not hold, corresponding to 3,136,295 shares in total.

Should Probi, prior to the settlement of the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the Offer Price will be reduced accordingly.

The total value of the Offer is approximately SEK 1,098 million, excluding shares in Probi held by Symrise as of the date of this offer document.⁴ The Offer values Probi at approximately SEK 3,988 million, based on 11,394,125 outstanding shares in Probi in total.

No commission will be charged in connection with the settlement of the Offer.

A shareholder who wishes to accept the Offer but does not wish to wait for settlement may seek to sell its shares in the market.

CONDITION FOR COMPLETION OF THE OFFER

Completion of the Offer is conditional upon:

- (i) the Offer being accepted to such an extent that Symrise becomes the owner of shares in Probi representing more than 90 per cent of the total number of shares in Probi on a fully diluted basis;
- (ii) the receipt of all regulatory, governmental or similar clearances, approvals and decisions that are necessary for the Offer and the acquisition of Probi, including from the Swedish Inspectorate of Strategic Products, in each case on terms which, in Symrise's opinion, are acceptable;
- (iii) no circumstances having occurred which have a material adverse effect or could reasonably be expected to have a material adverse effect on Probi's

financial position, prospects or operations, including Probi's sales, results, liquidity, equity ratio, equity or assets;

- (iv) neither the Offer nor the acquisition of Probi being rendered wholly or partially impossible or significantly impeded as a result of legislation or other regulation, any decision of a court or public authority, or any similar circumstance;
- (v) Probi not taking any action that is likely to impair the prerequisites for making or completing the Offer;
- (vi) no information made public by Probi or disclosed by Probi to Symrise being materially inaccurate, incomplete or misleading, and Probi having made public all information which should have been made public by Probi; and
- (vii) no other party announcing an offer to acquire shares in Probi on terms more favourable to the shareholders of Probi than the Offer.

Symrise reserves the right to withdraw the Offer in the event that it becomes clear that any of the above conditions is not satisfied or cannot be satisfied. However, with regard to conditions (ii)–(vii) above, the Offer may only be withdrawn where the non-satisfaction of such condition is of material importance to Symrise's acquisition of Probi or if otherwise approved by the Swedish Securities Council.

Symrise reserves the right to waive, in whole or in part, one or more of the conditions above, including, with respect to condition (i) above, to complete the Offer at a lower level of acceptance.

⁴ As of the announcement of the Offer on 20 November 2024, Symrise held 7,936,210 shares in Probi. Symrise has, after the announcement of the Offer and prior to the date of this offer document, acquired an additional 321,620

shares in Probi, see further the section “– *Symrise's shareholding in Probi*”.

ACCEPTANCE

Shareholders of Probi whose shares are directly registered with Euroclear

Shareholders of Probi whose shares are directly registered with Euroclear Sweden AB (“Euroclear Sweden”) and who wish to accept the Offer must, during the period from 18 December 2024 to 15 January 2025, at 15.00 CET, sign and submit a correctly completed application form to Avanza Bank AB (“Avanza”) either by post or to the e-mail address stated on the application form.

An acceptance form sent by post must be sent in ample time before the last day of the acceptance period so that it is received by Avanza, no later than 15.00 CET on 15 January 2025.

The securities account number (Sw. *VP-konto*) and the current number of shares held in Probi as of 17 December 2024 are pre-printed on the acceptance form which is sent out together with a pre-stamped envelope to directly registered shareholders of Probi. Shareholders should verify for themselves that the pre-printed information on the acceptance form is correct.

Note that acceptance forms which are incomplete or incorrectly completed may be disregarded. No amendments to the pre-printed text may be conducted on the acceptance form.

If shares in Probi intended to be tendered in the Offer are pledged in the Euroclear system, both the shareholder and the pledgee must sign the acceptance form and confirm that the pledge will be terminated should the Offer be completed. Those who are registered in the list of pledgees and guardians will not receive an acceptance form, but will instead be notified separately.

Shareholders of Probi whose shares are nominee registered

Shareholders of Probi whose holdings are registered in the name of a nominee, i.e. a bank or other nominee, will receive neither the offer document nor a pre-printed acceptance form. Applications must instead be made in accordance with instructions received by the nominee.

The description below under the headings “Confirmation of acceptance” and “Settlement” refers to acceptance of the Offer by shareholders with directly registered

shareholdings. For shareholders whose shareholding is nominee-registered, such handling takes place in accordance with the nominee’s routines.

OFFER DOCUMENT AND ACCEPTANCE FORM

The offer document and acceptance form are available on the following websites: Symrise’s website (www.symrise.com/probi) and the SFSA's website (www.fi.se) (only the offer document in Swedish).

ACCEPTANCE PERIOD AND RIGHT TO EXTEND THE OFFER

The acceptance period for the Offer is from 18 December 2024 to 15 January 2025.

Symrise reserves the right to extend the acceptance period for the Offer, one or several times, as well as to postpone the time for the settlement. An extension of the acceptance period will not delay payment of consideration to those who already have accepted the Offer. Notice of such extension or postponement will be published by Symrise by press release in accordance with applicable laws and regulations.

CONFIRMATION OF ACCEPTANCE

After Avanza has received and registered an acceptance form which has been duly signed and completed, the shares in Probi will be transferred to a new blocked securities account (Sw. *apportkonto*) which has been opened for each shareholder. In connection hereto, Euroclear will send a notification (“**VP-notice**”) showing the number of shares in Probi that have been removed from the original securities account and a VP-notice showing the number of shares in Probi being entered into the newly opened blocked securities account.

SETTLEMENT

Settlement is expected to be initiated on or around 20 January 2025. Settlement will be effected by distribution of a transaction note to those who have accepted the Offer.

The settlement amount will be paid to the yield account which is connected to the shareholder’s securities account. If a shareholder of Probi

does not have a yield account connected to their securities account, if the yield account is incorrect, or if the account is a postal giro account, the payment may be delayed. In connection with the settlement, the shares in Probi will be removed from the blocked securities account which will then be terminated. No notice evidencing the removal from the blocked securities account will be sent. Note that, even if the shares in Probi are pledged, payment will be made to the yield account or in accordance with what is stated above.

If the holding is registered in the name of a nominee, settlement will be provided for by the nominee.

RIGHT TO WITHDRAW ACCEPTANCE

Shareholders of Probi have the right to withdraw their acceptance of the Offer. To be valid, such withdrawal must have been received in writing by Avanza (e-mail address: corpemissioner@avanza.se, alternatively postal address: Avanza, Box 1399, SE-11193 Stockholm, Sweden) before Symrise has announced that the conditions of the Offer have been fulfilled or, if such announcement has not been made during the acceptance period, not later than 15.00 CET on the last day of the acceptance period. If conditions to the Offer, which Symrise has reserved the right to waive, remain during an extension of the Offer, the right to withdraw an acceptance will apply in the same manner throughout any such extension of the Offer. Shareholders of Probi holding nominee-registered shares wishing to withdraw their acceptance shall do so in accordance with instructions from their nominee.

COMPULSORY REDEMPTION PROCEEDINGS AND DELISTING

If Symrise, whether in connection with the Offer or otherwise, acquires shares representing more than 90 per cent of the total number of shares in Probi, Symrise intends to commence compulsory redemption proceedings under the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)) to acquire all remaining shares in Probi and to promote delisting of Probi's shares from Nasdaq Stockholm.

IMPORTANT INFORMATION REGARDING NID AND LEI AT ACCEPTANCE

NID code requirement for natural persons

A National ID or National Client Identifier (“**NID code**”) is a global identification code for natural persons. According to Directive 2014/65/EU of the European Parliament and of the Council, as amended (“**MiFID II**”), all investors must, as of 3 January 2018, have a NID code in order to execute a securities transaction. For natural persons who only have Swedish citizenship, the NID code consists of the designation “SE” followed by the individual's personal identity number. If the person in question has more than one citizenship or is a citizen of a country other than Sweden, the NID code will be a different type of number. The NID code must be provided on the acceptance form if the relevant Probi shareholder holds other citizenship than Swedish. If the NID code is not provided, Avanza may not be able to execute the transaction for the natural person concerned. For more information on how to obtain a NID code, shareholders should contact their custodian or nominee.

LEI code requirement for legal entities

The Legal Entity Identifier (“**LEI**”) is a global identification code for legal entities. Under MiFID II, with effect from 3 January 2018, legal entities must have a LEI code in order to execute a securities transaction. If an active LEI code is missing, Avanza may not be able to execute the transaction. Registration of LEI codes can be done by any of the providers in the market. It is important to register a LEI code well in advance as it must be confirmed on the acceptance form.

INFORMATION ABOUT PROCESSING OF PERSONAL DATA

Avanza Bank AB is the party responsible (data controller) for processing the personal data that shareholders provide on their acceptance forms or that is otherwise registered in connection with this acceptance. Detailed information of Avanza's processing of personal data and shareholders' rights in connection with this process is available at www.avanza.se.

OTHER INFORMATION

Avanza is receiving and processing the acceptance forms for the Offer on behalf of Symrise. This means that there will be no customer/bank relationship between any shareholder who accepts the Offer and Avanza solely by Avanza receiving and processing acceptance forms.

QUESTIONS CONCERNING THE OFFER

Information regarding the Offer is available at Symrise's website, www.symrise.com/probi. For questions regarding the administration of the Offer, please contact Avanza, e-mail: corpemissioner@avanza.se.

If shareholders hold their shares in a custody account and have questions regarding the administration of their shares in the Offer, they should contact their custodian or nominee.

Information regarding Symrise

Symrise is a German limited liability company (Ge. Aktiengesellschaft) incorporated in Germany with its shares listed on the Frankfurt Stock Exchange. Symrise is a global supplier of fragrances, flavors, food, nutrition and cosmetic ingredients. Its clients include manufacturers of perfumes, cosmetics, food and beverages, pharmaceuticals and producers of nutritional supplements and pet food. Headquartered in Holzminden, Germany, the group is represented by more than 100 locations in Europe, Africa, the Middle East, Asia, the United States and Latin America. Symrise works with its clients to develop new ideas and market-ready concepts for products that form an integral part of everyday life. Economic success and corporate responsibility are inextricably linked as part of this process.

Symrise AG, with commercial registration number HRB 200436, is a limited liability company domiciled and registered in Holzminden, Germany.

More information is available on www.symrise.com.

Description of Probi

The following information is a general description of Probi. The information in this description is, unless otherwise stated, based on publicly available information mainly derived from Probi's website, annual report for the financial year 2023 and the interim report for the financial period 1 January–30 September 2024. The information in this description has been reviewed by the independent bid committee of Probi (see the section titled "*Statement from the independent bid committee of Probi*" on page 49).

BUSINESS OVERVIEW

Probi is a global biotics solutions company, focused on researching, manufacturing, and delivering biotics for supplements and functional food. Founded on science, and together with customers and research partners, Probi is striving towards a future in which as many people as possible can take control of their gut microbiome – so that they can live better lives for longer. Since its founding in 1991 at Sweden's Lund University, Probi has expanded its operations to more than 40 markets, and holds almost 400 patents globally.

Probi's operations cover the entire value chain, from research and development to sales. Probi's customers are primarily global and regional health, pharmaceutical and food companies that sell and distribute to end consumers. Research, development and good consumer and market insights, paired with close cooperation with Probi's customers, form the basis for developing Probi's products. Probi is in charge of the entire chain, from fermentation and freeze-drying to manufacturing and packaging. Probi view its own manufacturing and packaging capacity as a competitive advantage, as it can offer its customers differentiated and customized quality products. The combination of manufacturing capabilities with third-party partnerships allows Probi to create unique products and offer combinations of different probiotic strains, bulk solutions and pre-packaged products for consumers.

Probi's product development is based on close dialogue with its customers, knowledge and insights into the market regarding trends and consumer needs, as well as current research. This allows Probi to offer in-demand and cutting-edge solutions. Customer needs and preferences vary based on target group and areas of use. Probi heavily emphasize customizing content and formats in order to create the best possible experience for the consumer. Probiotics are delicate organisms and to maintain their quality, it is essential to understand parameters such as temperature, humidity, product design, combined ingredients and packaging.

MARKETS AND OPERATIONS

The Probi group comprises the parent company, Probi AB, and two subsidiaries: Probi Asia-Pacific Pte. Ltd. and Probi USA Inc. Probi has four business units globally, with the headquarters and R&D center in Lund, Sweden, a sales office in Singapore, and two units in the United States with a fermentation center in Redmond, Washington, and a manufacturing and packaging center in Lafayette, Colorado. Probi manufactures its products at the in-house production facilities in Redmond and Lafayette. Probi has made extensive investments in recent years to improve and optimise the Company's manufacturing processes, thus creating better conditions for producing probiotics efficiently. In 2023, Probi's net sales were distributed globally as follows: 73 per cent in the Americas region, 16 per cent in the EMEA region, and 11 per cent in the APAC region. At the end of 2023, Probi had 160 employees.

For more information regarding Probi, refer to Probi's website www.probi.com.

Probi's financial information in summary

The information below regarding Probi has been retrieved from the audited annual reports for the financial years 2023, 2022 and 2021 as well as from the interim reports for the periods 1 January–30 September 2024 and 2023 (which has neither been revised nor reviewed by Probi's auditor).

Probi's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), as well as the interpretations by the IFRS Interpretations Committee ("IFRIC") as adopted by the European Union. In addition, Recommendation RFR 1 "Supplementary Accounting Rules for Groups" (Sw. *Kompletterande redovisningsregler för koncerner*) from the Swedish Financial Reporting Board (Sw. *Rådet för finansiell rapportering*) and the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen (1995:1554)*) have been applied. The interim reports for the periods 1 January–30 September 2024 and 2023 for Probi have been prepared in accordance with IAS 34 (Interim Financial Reporting) and the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen (1995:1554)*).

Probi's audited annual reports and the interim reports for the periods 1 January–30 September 2024 and 2023 are available on Probi's website (www.probi.com).

Complete information on Probi's financial development and financial position is available in the annual reports for the financial years 2023, 2022 and 2021.

Figures stated in this section are rounded to thousand SEK whereas the calculations are performed using an extended set of decimals. Percentages are displayed with one decimal and are also rounded. Some calculations may appear to sum incorrectly due to rounding.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1 January–31 December		
	2023	2022	2021
SEK thousands	<i>Audited</i>		
Net sales	627,687	618,285	658,180
Operating expenses			
Cost of goods sold	-407,474	-362,840	-370,173
Gross profit	220,213	255,445	288,007
Sales and marketing expenses	-113,908	-100,936	-88,931
Research and development expenses	-36,438	-38,348	-37,082
Administrative expenses	-58,587	-65,909	-54,443
Other operating income	40	322	1,692
Operating profit	11,320	50,574	109,243
Financial income	8,048	1,705	154

Financial expenses	-2,027	-2,492	-1,882
Exchange-rate gain/loss from financing activities	41	2,187	-76
Financial result	6,062	1,400	-1,804
Earnings before income taxes	17,382	51,974	107,439
Income taxes	-563	-11,352	-24,294
Profit for the year attributable to owners of parent	16,819	40,622	83,145
Other comprehensive income			
<i>Components to be reclassified to net income</i>			
Exchange rate difference resulting from the translation of foreign operations	-36,028	139,908	87,448
Total components that will be reclassified to net income	-36,028	139,908	87,448
Components not to be reclassified to net income			
Equity instruments at fair value through OCI	-7,466	-20,691	-7,721
Total components not to be reclassified to net income	-7,466	-20,691	-7,721
Total other comprehensive income	-43,494	119,217	79,727
Total comprehensive income for the year attributable to owners of parent	-26,675	159,839	162,872
Earnings per share before and after dilution, SEK	1.48	3.57	7.30
1 January–30 September			
	2024	2023	
SEK thousands	<i>Unaudited</i>		
Net sales	474,267	471,566	
Cost of goods sold	-314,371	-300,613	
Gross profit	159,896	170,953	
Sales and marketing expenses	-79,550	-85,713	
Research and development expenses	-26,294	-27,050	
Administration expenses	-45,626	-41,587	
Other operating expenses	-61	5	
Operating profit (EBIT)	8,365	16,608	
Financial income	7,873	5,519	
Financial expenses	-1,710	-1,564	

Exchange result financing activities	42	989
Financial result	6,205	4,944
 Earnings before income taxes	 14,570	 21,552
Income taxes	-1,096	-2,143
Net income	13,474	19,409
 Other comprehensive income		
Components to be reclassified to net income		
Exchange rate differences resulting from the translation of foreign operations	6,447	38,500
Cash flow hedge (currency hedges)	-	-
Income taxes payable on these components	-	-
Total components that will be reclassified to net income	6,447	38,500
 <i>Components not to be reclassified to net income</i>		
Equity instruments at fair value through OCI	-6,146	-2,489
Total components not to be reclassified to net income	-6,146	-2,489
 Sum of other comprehensive income	 301	 36,011
Total comprehensive income	13,775	55,420
 Number of outstanding shares at end of the reporting period	 11,394,125	 11,394,125
Average number of shares	11,394,125	11,394,125
Earnings per share before and after dilution	1.18	1.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December		
	2023	2022	2021
ASSETS			
SEK thousands	<i>Audited</i>		
Non-current assets			
 Intangible assets			
Capitalized development costs	23,497	24,782	32,096
Customer base	211,718	248,452	239,887
Technology and other intangible assets	92,191	109,251	108,138
Work in progress intangible assets	12,862	-	-
Goodwill	340,580	353,887	307,011
Activated customer remuneration	0	0	3,274
Total intangible assets	680,848	736,372	690,406
 Tangible assets			

Buildings and land	23,007	19,934	7,002
Plant and machinery	82,303	64,606	38,899
Equipment, tools, fixtures and fittings	7,852	8,999	7,306
Work in progress	32,660	53,267	38,732
Right-of-use assets	49,010	65,546	74,739
Total tangible assets	194,832	212,352	166,678
Financial assets			
Interests in other entities	73,044	80,510	101,201
Deferred tax assets	1,345	357	301
Total financial assets	74,389	80,867	101,502
Total non-current assets	950,069	1,029,591	958,586
Current assets			
Inventories	116,705	116,245	93,822
Current receivables			
Trade receivables	79,792	89,295	119,060
Tax receivables	1,901	781	-
Other assets and receivables	5,843	3,941	3,705
Prepaid expenses and accrued income	6,483	6,329	5,979
Total current receivables	94,019	100,346	128,744
Cash and cash equivalents	329,650	323,706	251,017
Total current assets	540,374	540,297	473,583
Total assets	1,490,443	1,569,888	1,432,169
SHAREHOLDERS EQUITY AND LIABILITIES			
Equity			
Share capital	58,221	58,221	58,221
Other contributions received	600,205	600,205	600,205
Reserves	97,416	140,909	21,693
Accumulated profit including net income for the year	613,238	611,232	585,422
Total equity	1,369,080	1,410,567	1,265,541
Provisions			
Deferred tax liabilities	-	13,833	13,359
Total provisions	-	13,833	13,359

Non-current liabilities

Lease liabilities	38,212	53,601	62,733
Other non-current liabilities	5,272	5,480	4,748
Total non-current liabilities	43,484	59,081	67,481

Current liabilities

Trade payables	34,376	34,424	46,244
Tax liabilities	139	114	1,612
Lease liabilities	15,585	16,667	14,856
Other current liabilities	3,955	5,052	4,496
Accrued expenses and deferred income	23,824	30,150	18,580
Total current liabilities	77,879	86,407	85,788

Total equity and liabilities	1,490,443	1,569,888	1,432,169
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	30 September	
SEK thousands	2024	2023
ASSETS	<i>Unaudited</i>	
Capitalized development costs	24,810	23,850
Customer base	192,200	235,953
Technology and other intangible assets	101,538	101,810
Goodwill	342,296	367,484
Property, plant and equipment	145,890	161,895
Right-of-use assets	75,029	55,943
Interests in other entities	66,898	78,021
Deferred tax assets	13,675	303
Non-current assets	962,336	1,025,259
Inventories	128,634	131,388
Trade receivables	62,701	113,802
Other assets and receivables	20,825	18,356
Cash and cash equivalents	349,407	300,847
Current assets	561,567	564,393
Total assets	1,523,903	1,589,652
EQUITY AND LIABILITIES		
Total equity	1,368,043	1,451,176
Deferred tax liabilities	-	3,550
Provisions	-	3,550

Non-current lease liabilities	60,962	43,488
Other non-current liabilities	5,298	5,691
Non-current liabilities	66,260	49,179
Trade payables	37,986	30,198
Current lease liabilities	20,282	17,636
Other current liabilities	31,332	37,913
Current liabilities	89,600	85,747
Total liabilities	155,860	138,476
Total equity and liabilities	1,523,903	1,589,652

CONSOLIDATED CASH FLOW STATEMENT

	1 January–31 December		
	2023	2022	2021
SEK thousands	<i>Audited</i>		
Profit for the year	16,819	40,622	83,145
<i>Adjustments to reconcile net income with cash provided from operating activities</i>			
Income taxes	563	11,352	24,294
Interest result	-6,021	714	1,612
Amortization, depreciation and impairment of non-current assets	96,203	85,682	73,285
Other non-cash expenses and income	-66	4,036	2,274
Cash flow before working capital changes	107,498	142,406	184,610
Changes in trade receivables and other current assets	5,498	42,091	-24,653
Change in inventories	-4,444	-8,936	13,300
Changes in trade payables and other current liabilities	-6,215	-4,400	-4,561
Income taxes paid	-16,786	-15,067	-14,501
Cash flow from operating activities	85,551	156,094	154,195
Investing activities			
Payments for investing in intangible assets	-21,023	-12,180	-7,416
Payments for investing in interests in other entities	-	-	-55,891
Payments for investing in property, plant and equipment	-33,163	-52,429	-35,147
Divestment of property, plant and equipment	15	20	973
Cash flow from investing activities	-54,171	-64,589	-97,481

Financing activities			
Interest paid	-2,069	-2,458	-3,190
Interest received	8,048	1,705	154
Amortization of lease liability	-15,124	-13,743	-12,418
Dividends	-14,812	-14,812	-12,534
Cash flow from financing activities	-23,957	-29,308	-27,988

Net change in cash and cash equivalents	7,423	62,197	28,726
Effects of changes in exchange rates	-1,479	10,492	6,739
Total changes	5,944	72,689	35,465
Cash and cash equivalents, 1 January	323,706	251,017	215,552
Cash and cash equivalents, 31 December	329,650	323,706	251,017

	1 January–30 September	
	2024	2023
SEK thousands	<i>Unaudited</i>	

Net income	13,474	19,409
Adjustments to reconcile net income to cash from operating activities		
Income taxes	1,096	2,143
Interest result	-6,163	-3,955
Amortization, depreciation and impairment of non-current assets	76,783	71,777
Other non-cash expenses and income	937	65
Cash flow before working capital changes	86,127	89,439

Changes in trade receivables and other current assets	9,721	-27,549
Change in inventories	-11,605	-10,791
Changes in trade payables and other current liabilities	13,785	1,424
Income taxes paid	-12,617	-13,828
Cash flow from operating activities	85,411	38,695

Payments for investing in intangible assets	-16,437	-16,345
Payments for investing in property, plant and equipment	-22,042	-20,310
Divestment of tangible assets	42	15
Cash flow from investing activities	-38,437	-36,640

Interest paid	-1,619	-1,595
Interest received	1,056	1,019
Repayments for lease obligations	-12,391	-11,274
Dividends paid	-14,812	-14,812

Cash flow from financing activities	-27,766	-26,662
Cash flow for the period	19,208	-24,607
Effects of changes in exchange rates	549	1,748
Change in cash and cash equivalents	19,757	-22,859
Cash and cash equivalents at opening balance	329,650	323,706
Cash and cash equivalents at closing balance	349,407	300,847

KEY FIGURES AND DATA PER SHARE

	1 January–30 September		1 January–31 December		
	2024	2023	2023	2022	2021
SEK m	<i>Unaudited</i>		<i>Audited</i>		
Net sales	474.3	471.6	627.7	618.3	658.2
Net sales growth, %	0.6	-0.6	1.5	-6.1	-8.2
Currency-adjusted net sales growth, %	1.2	-5.4	-2.0	-16.7	-3.3
Gross margin, %	33.7	36.3	35.1	41.3	43.8
EBITDA	85.1	88.4	107.5	136.3	182.5
EBITDA, %	18.0	18.7	17.1	22.0	27.7
Operating profit (EBIT)	8.4	16.6	11.3	50.6	109.2
Operating margin, %	1.8	3.5	1.8	8.2	16.6
Profit for the period	13.5	19.4	16.8	40.6	83.1
Earnings per share, SEK	1.18	1.70	1.48	3.57	7.30
Equity ratio, %	90	91	92	90	88

Probi's share capital and ownership structure

GENERAL

The shares in Probi are admitted to trading on Nasdaq Stockholm, Mid Cap, under the ticker PROB and ISIN code SE0001280355.

SHARE CAPITAL

As of the date of this offer document, the number of outstanding shares in Probi amounts to 11,394,125, with a quota value of approximately SEK 5.11 per share. Each share entitles the holder to one vote at general meetings.

SHAREHOLDERS

The table below shows the ten largest shareholders of Probi as of 31 October 2024, based on information published at Probi's web page, www.probi.com. For information on Symrise's shareholding in Probi as of the date of this offer document, see section "*The Offer to the shareholders of Probi – Symrise's shareholding in Probi*".

Shareholder	Number of shares	% av capital and votes	Verified
SYMRISE AG	7,936,210	69.7 %	2024-10-31
FJÄRDE AP-FONDEN	1,057,188	9.3 %	2024-10-31
CACEIS BANK, W-8IMY (MONETA ASSET MANAGEMENT)	960,044	8.4 %	2024-10-31
HANDELSBANKEN SVERIGE INDEX CRITERIA	71,000	0.6 %	2024-10-31
FÖRSÄKRINGSÄK TIEBOLAGET AVANZA PENSION	67,574	0.6 %	2024-10-31
J.P. MORGAN SE, LUXEMBOURG BRANCH, W8IMY/NQI	61,526	0.5 %	2024-10-31
THE BANK OF NEW YORK MELLON, W9	54,697	0.5 %	2024-10-31
SEB SVERIGE INDEXNÄRA	37,871	0.3 %	2024-10-31
PLUS MIKROBOLAG SVERIGE INDEX	35,591	0.3 %	2024-10-31
NORDNET PENSIONS FÖRSÄKRING AB	32,560	0.3 %	2024-10-31
10 largest shareholders	10,314,261	90.5 %	
Others	1,079,864	9.5 %	
Total number of shares	11,394,125	100 %	

Source: Probi's web page (www.probi.com).

CONVERTIBLES AND WARRANTS ETC.

Probi has not issued any convertibles, warrants or other securities.

DIVIDEND POLICY

Probi's dividend policy is to have a share dividend of 10 – 30 per cent of the year's profits, provided that the Company's financial position allows this.

SHAREHOLDERS' AGREEMENT ETC.

Probi's annual report for the financial year 2023 does not contain any information regarding agreements between larger shareholders of Probi or between larger shareholders and Probi.

SHARES HELD IN TREASURY

Probi's interim report for the period 1 January–30 September 2024 does not contain any information regarding shares held in treasury by Probi.

AUTHORISATION FOR THE BOARD OF DIRECTORS OF THE COMPANY TO RESOLVE ON NEW SHARE ISSUES

At the annual general meeting held on 7 May 2024, the board of directors of the Company was authorised to resolve, during the period until the next annual general meeting, on one or more occasions, on the issue of not more than 1,165,000 new shares. In this context, the board of directors shall be entitled to resolve on deviation from the shareholders' preferential right, and that payment shall be made in cash, by set-off or in kind. At deviation from the shareholders' preferential right, the issue price shall be determined in accordance with market practise.

The purpose of the authorisation is to provide the board of directors with increased latitude in its efforts to optimise the Company's capital structure and to enable the Company to finance, in whole or in part, Company acquisitions with

the Company's own shares. The authorisation corresponds to approximately 10 per cent of the share capital and voting rights.

MATERIAL AGREEMENTS

Probi's annual report for the financial year 2023 does not refer to any material agreements to which Probi is a party and which would be affected, amended or terminated as a consequence of the change of control in Probi as a result of a public offer.

Probi's board of directors, management and auditors

BOARD OF DIRECTORS

Jean-Yves Parisot

Birth: 1964

Title: Chairman of the Board

Shareholding: -

Education: Bachelor of Economics, HEC Paris, and Veterinary Science, VetAgro Sup.

Jean-Yves is currently chairman of the board of VetAgroSup and the CEO of Symrise. He has previously held leadership roles at Diana, Air Liquide, Danisco, Rhodia, Rhône-Poulenc, Merial and Pfizer.

Jean-Yves is independent of the Company and its management but not independent of its major shareholders.

Charlotte Hansson

Birth: 1962

Title: Board member

Shareholding: 500 shares

Education: M.Sc. in Biochemistry, Copenhagen University and Marketing Economist diploma from IHM.

Charlotte is currently chairman of the board of Link Top Holding A/S and vChain AB, board member of Bergman & Beving AB, DistIT AB, Green Cargo AB and Stena Trade & Industry AB. Charlotte is also the owner of Scandinavian Insight Consulting AB, and former CEO of MorgonTidig Distribution KB and Jetpak. Charlotte has previously held leadership roles at Danzas ASG Eurocargo AB, Carl Zeiss AB and Beckman Coulter AB.

Charlotte is independent of the Company, the Company's management and the major shareholders.

Jörn Andreas

Birth: 1980

Title: Board member

Shareholding: -

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

Jörn currently holds a board assignment in Gelita AG, Germany. Jörn is a former executive board member of Symrise AG. Jörn has experience from both a previous assignment as board member (during the period 2014–2016) at Probi and his position as CFO of the Company (during the period 2017–2018). He has also worked for Boston Consulting Group, Hamburg and Bayer AG, Leverkusen, Germany.

Jörn is independent of the Company and its management but not independent of its major shareholders.

Malin Ruijsenaars

Birth: 1971

Title: Board member

Shareholding: -

Education: Bachelor of Human Resources from Lund University, Business Administration & Sociology from UC Berkeley (University of California), Master of European Studies from Brygge.

Malin currently has board assignments in Vitec Software Group and Bulten AB and works as an advisor and consultant. Malin has experience from previous assignments as a board member and member of nomination committees and as an HR Executive, Company Developer and Talent Manager. She has previously worked for Daimler, Axis Communications, AB Grensöspälsfabrik and more.

Malin is independent of the Company, the Company's management and the major shareholders.

Stephanie Blum Sperisen

Birth: 1959

Title: Board member

Shareholding: -

Education: Doctor of Biochemistry & Pharmacology, J.W. von Goethe University, Frankfurt a.Main, Germany, Postgraduate specialization in Immunology at the Ludwig Institute of Cancer Research & Lausanne University Hospital (CHUV).

Stephanie is currently chairman of the International Advisory Board, HEC Lausanne. She has also been senior executive in research & development and has held different leadership roles across Nestlé R&D and the Onco-Immunology Division, Lausanne University Hospital (CHUV).

Stephanie is independent of the Company, the Company's management and the major shareholders.

EXECUTIVE MANAGEMENT

Anita Johansen

Birth: 1972

Title: CEO

Shareholding: 15 shares

Education: M. Sc. Pharmacy, PhD Pharmaceutical Technology from University of Copenhagen, School of Pharmaceutical Sciences.

Anita joined Probi in April 2022 as the Vice President of R&D, and since April 2023 has been the CEO of Probi. Anita is also serving as director of the board of Blis Technologies Ltd, where Probi is a substantial product holder, and she is an elected board member of International Association of Probiotics (IPA) and on the board of IPA Europe.

Throughout her career Anita has been working with product development and held leadership positions in global consumer healthcare companies, such as Ferrosan, Pfizer Consumer Healthcare, Novozymes, and USP Zdrovie.

Ulf Sköld

Birth: 1960

Title: CFO (Interim)

Shareholding: -

Education: Degree in Economics from Lund University.

Ulf Sköld has an extensive experience as CFO from different industries such as the packaging and food industry. Ulf most recently held an interim CFO role at Lime Technologies AB

(publ). Chairman of the board of Gasporox AB (publ).

Basudha Bhattarai-Johansson

Birth: 1983

Title: VP HR & Sustainability

Shareholding: -

Education: Bachelor's degree in Psychology and minor in Management, Hood College Maryland.

Basudha joined Probi as Vice President HR in January 2020. Prior to Probi, Basudha worked for Bristol-Myers Squibb as Head of HR for Nordics. Before Bristol-Myers Squibb, Basudha has held Northern European HR roles in IQVIA (previously IMS Health).

Christina Vegge

Birth: 1973

Title: VP Research & Development

Shareholding: -

Education: M.Sc. Pharmacy, Ph.D. Molecular Microbiology, University of Copenhagen.

Christina joined Probi in January 2023 as Director of Discovery & Clinical Research and assumed the role as Sr. Director R&D in September the same year. Member of the management team from September 2023. Christina has broad microbiology and leadership experience from academic research as Associate Professor at Copenhagen University and leading industrial development of microbial solutions in the form of Probiotics, dairy cultures and Live Biotherapeutics Products at Bacthera and Chr Hansen. She has also held positions in research and development at companies such as Novo Nordisk, Chr. Hansen and Bacthera.

Jim Anthony

Birth: 1970

Title: Vice President of Operations (Interim)

Shareholding: -

Education: M. Eng. Industrial Engineering, B. Sc Mechanical Engineering from Pennsylvania State University.

Jim joined Probi in February 2024 as the Vice President of Operations (Interim). Throughout his career Jim has been working in manufacturing and supply chain and held

leadership positions in global healthcare companies such as Hialeon, GlaxoSmithKline (GSK), Pfizer and Wyeth Pharmaceuticals. Additionally, Jim has experience in telecommunications at Lucent Technologies and automotive at Ford Electronics.

AUDITORS

At Probi's annual general meeting held on 7 May 2024, Ernst & Young AB was elected as auditor for the period until the next annual general meeting. Authorised public accountant Peter Gunnarsson is the auditor in charge.

OTHER

Probi's annual report for the financial year 2023 does not refer to any agreements between Probi and its board members or employees which stipulate a right of compensation if their employment is terminated as a consequence of a public offer regarding the shares in Probi.

Probi's articles of association

This is a non-official translation of the Swedish language version of the articles of association available on Probi's website, www.probi.com.

Articles of association of Probi Aktiebolag (publ)

Corp. Reg. No. 556417-7540

- § 1 The business name of the company is Probi Aktiebolag (publ).
- § 2 The registered office of the Board of Directors shall be situated in the Municipality of Lund, Skåne County, Sweden.
- § 3 The company shall engage, directly or through subsidiaries, in the development, manufacture and marketing of products stimulating growth and/or regulating the natural microbial flora in humans, and undertake any other operations compatible therewith.
- § 4 The company's share capital shall amount to not less than SEK 40,000,000 and not more than SEK 160,000,000.
- § 5 The company shall have not less than 8,000,000 shares and not more than 32,000,000 shares.
- § 6 The Board of Directors shall consist of three to seven members, with not more than two deputies.
- § 7 The company shall have one auditor, with or without one deputy. The auditor shall be an authorised public accountant or firm of authorised public accountants.
- § 8 Notices of General Meetings shall be published in Post- och Inrikes Tidningar (Swedish Official Gazette) and on the company's website. That the notice has been issued shall be published in Dagens Industri.
- § 9 The following items of business shall be addressed at the company's Annual General Meeting:
1. Election of chairman of the meeting;
 2. Preparation and approval of the voting list;
 3. Approval of the agenda for the meeting;
 4. Election of one or two persons to verify the minutes;
 5. Determination of whether the meeting has been duly convened;
 6. Presentation of the Annual Report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the Group;
 7. Resolutions concerning:
 - (a) adoption of the income statement and the balance sheet and, where applicable, the consolidated income statement and the consolidated balance sheet;
 - (b) disposition of the company's profits or losses pursuant to the adopted balance sheet;
 - (c) discharge of the members of the Board of Directors and the President from liability.
 8. Determination of the fees to be paid to the Board of Directors and the auditors;

9. Determination of the number of members and deputy members of the Board of Directors and, where applicable, the number of deputy auditors;
10. Election of members of the Board of Directors and, where applicable, deputy members and auditors and deputy auditors;
11. Other matters which rest upon the General Meeting pursuant to the Swedish Companies Act or the Articles of Association.

§ 10 The company's financial year shall be the calendar year.

§ 11 The company's shares shall be registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

§ 12 In order to be entitled to participate in a General Meeting, shareholders shall notify the company of their intention not later than on the day stipulated in the notice convening the general meeting. This day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be earlier than the fifth weekday prior to the general meeting.

Assistants to the shareholder shall be entitled to attend the general meeting only if the shareholder has notified the company of the number of assistants (not more than two) in the manner set out above.

§ 13 The Board of Directors may collect proxies pursuant to the procedure stated in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551). The Board of Directors may decide before a General Meeting that the shareholders shall be able to exercise their voting rights by post before the General Meeting pursuant to the procedure stated in Chapter 7, Section 4a of the Swedish Companies Act (2005:551).

This article of association has been approved at the annual general meeting on 7 May 2021.

Probi's interim report for the period 1 January–30 September 2024

Interim report July - September 2024

Important events during the third quarter

- Net sales in Q3 amounted to SEK 143.7 m, corresponding to a decrease of 7.9% compared to last year (-5.1% adjusted for currency effects).
- The EBITDA margin was 20.1%, corresponding to an increase of 2.0 %-points compared to last year.
- Probi successfully implemented a new global ERP system, streamlining operations and enhancing efficiency across key business functions.
- A new study suggests that consuming Probi's proprietary probiotic strain HEAL9® may serve as a potential therapeutic option for mitigating mild cognitive impairment and Alzheimer's disease.
- In September, Blis Technologies Limited (BLIS) announced to the Stock Exchange (NZX) that a key customer of BLIS has improperly filed a patent application for its BLIS K12™ and M18™ fermentation processes, thereby unduly disclosing confidential information. In the short term, it is not expected that the circumstances will materially affect the distribution and manufacturing by Probi of BLIS strains. Currently, it is not possible to make any assessment of future long-term impact, if any.

20%

EBITDA margin

SEK

144 m

Net sales

Important events after the end of the period

- Probi's new unique food supplement Probi Sense, focused on cognitive function and mental well-being, was commercially launched in the Nordics.
- Probi started collaboration on a research project with Global BHP BrainTrust and FINGERS Brain Health Institute, aimed at reducing dementia risk in women.

Financial overview

SEK m	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Net sales	143.7	156.0	474.3	471.6
Growth, %	-7.9%	7.6%	0.6%	-0.6%
Currency adjusted growth, %	-5.1%	5.9%	1.2%	-5.4%
Gross margin, %	34.1%	32.8%	33.7%	36.3%
EBITDA	28.9	28.2	85.1	88.4
EBITDA margin, %	20.1%	18.1%	18.0%	18.7%
Operating profit (EBIT)	3.0	4.0	8.4	16.6
EBIT margin, %	2.1%	2.6%	1.8%	3.5%
Net income	3.6	6.4	13.5	19.4
Earnings per share before and after dilution, SEK	0.31	0.56	1.18	1.70

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

This information is information that Probi AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the CEO and CFO, on October 22, 2024 at 08:00 CET. This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording prevails.



Tangible improvement in operations

The third quarter was impacted by regional fluctuations, with certain markets performing as expected, while others faced challenges. Sales in the Americas saw a slight decline, whereas EMEA showed a stable development. In APAC, our smallest but most promising growth segment, progress fell short of expectations, primarily due to deteriorated macroeconomic dynamics in China. Looking at our overall year-to-date sales progress, we are currently tracking on par with last year's performance.

Despite the slowdown in China, we continue to engage heavily with current and new potential customers in the Asian region, preparing for improved conditions as product implementation cycles in our industry are quite long. In September we arranged a very successful customer workshop in Bangkok with many customers participating from across APAC. We also exhibited at the Vitafoods Asia trade show, an ideal platform to showcase our latest innovations.

Initiatives to drive sales growth remain our primary focus, closely integrated with continuing operational improvements to enhance efficiency. By streamlining processes and optimizing resources, we aim to not only drive top-line revenue and improved margins, but also create a more agile and resilient organization. Our optimization efforts in the US internal processes and production-related procedures over the past year are now yielding tangible results, with improvements already visible.

Overall, we are continuing to make meaningful strides in our transition to reshape and elevate Probi – enhancing our operational capabilities, strengthening and reinventing our market presence, and building a more customer-driven organization focused on creating state-of-the-art advanced biotic solutions.

A part of our strategic revamp includes new branding, and in the Nordic B2C segment we have already started rolling out updated products, available through pharmacies. This also includes the recent commercial Nordic launch of our unprecedented solution for improved cognitive function and mental well-being: Probi® Sense.

This past year has been a pivotal period of internal transformation aimed at unlocking our potential and delivering increased value to our customers and stakeholders. While we are proud of the progress made so far, we recognize that the journey is ongoing, and further work remains as we continue this transformation. We are committed to maintaining a steady course, with a focus on long-term growth and sustainable success, ensuring that Probi can flourish and seize new opportunities as they arise.

Anita Johansen
CEO



"We are committed to maintaining a steady course, with a focus on long-term growth and sustainable success, ensuring that Probi can flourish and seize new opportunities as they arise."



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Net sales

July – September (third quarter)

During Q3, net sales amounted to SEK 143.7 m (156.0), corresponding to a decrease of SEK 12.3 m or 7.9%. Adjusted for currency effects, net sales amounted to SEK 148.0 m, corresponding to a decrease of 5.1%.

The decrease of SEK 12.3 m was driven by Americas being 8.1% below Q3 last year and secondly APAC being 22.3% down versus last year. EMEA was flat quarter over quarter.

Americas and EMEA were especially impacted by quarter-to-quarter timing, and after a very strong Q2 YTD sales across all regions are now 0.6% above last year and adjusted for currency effects, the growth is at 1.2% for January to September.

Across our 3 regions, Americas has seen the biggest timing swings quarter-to-quarter and the most material currency impact. The best indicator for the sales performance is sales from January to September in USD which is down USD 0.2m or 0.6%.

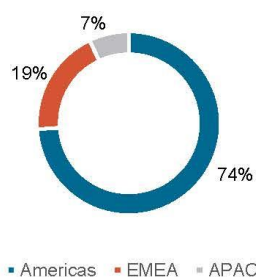
During Q3, Probi and our B2C customers have together prepared the introduction of new branding in the Nordic markets. The implication is an overweight of sales promotions that are now scheduled to hit markets in Q4 to leverage new branding. This was a major factor for soft B2C sales in Q3. We saw continued good traction on B2B sales in the quarter. To summarize, the EMEA business had soft sales in the quarter (-0.4%), while on a YTD

basis EMEA delivered strong sales growth of 28.8% helped by low comparatives in 2023.

APAC saw lower sales in Q3 compared to previous year. Macroeconomic dynamics in China continue to impact our customers adversely. The slowdown comes after a very strong 2023 and hence several customers also built-up stock during 2023 in anticipation of continued strong sales. The inventory corrections at our customers are amplifying the year-over-year slowdown for Probi. Despite lower sales than last year, Probi's competitive position in the market has been maintained.

The share of total net sales in the Americas during Q3 was 74%. EMEA accounted for 19% and APAC 7%.

Net Sales distribution per segment



Net sales per segment

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Americas	106.3	115.7	-8.1%	345.9	351.2	-1.5%
EMEA	27.3	27.4	-0.4%	89.8	69.7	28.8%
APAC	10.1	13.0	-22.3%	38.6	50.7	-23.9%
Net sales	143.7	156.0	-7.9%	474.3	471.6	0.6%



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Earnings

Operating profit/loss (EBIT)

The operating profit/loss for Q3 amounted to SEK 3.0 m (4.0), corresponding to a decrease of SEK 1.0 m. Adjusted for currency effects, the operating profit/loss was SEK 3.4 m. The gross profit in Q3 of SEK 49.1 m is slightly behind last year of SEK 51.2 m. The higher gross margin didn't fully make up for lower sales in the quarter. The improvement in the margin was driven by the optimization project at the Probi production plants in the US where we are now seeing tangible improvements in operational KPIs. These improvements have started to float into the gross profit.

Sales and marketing costs amounted to SEK 24.8 m (25.8) due to cost phasing. One example being the timing of marketing expenses to support the Nordic B2C business being back-end loaded for the year to take advantage of the new branding launched in Q3. In general, full year costs are planned to increase year-over-year in line with the decision to strengthen our sales and marketing teams.

Research and development operating expenses were slightly lower than last year and amounted to SEK 6.5 m (7.7). The main driver being the project portfolio, which now has a larger share of projects with projected revenue generation and/or cost improvements, hence a larger share of project costs now qualifies for financial capitalization (Capex). The aggregate of Opex & Capex for R&D in 2024 is above 2023.

Administration expenses amounted to SEK 14.8 m (13.8). The increase is related to strengthening the organization and general inflation.

Operating profit/loss

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Gross profit Americas	28.2	27.3	3.3%	91.5	100.7	-9.1%
Gross profit EMEA	15.4	16.9	-8.9%	48.7	39.5	23.3%
Gross profit APAC	5.4	6.9	-21.7%	19.7	30.7	-35.8%
Gross profit	49.1	51.2	-4.1%	159.9	171.0	-6.5%
Sales and marketing expenses	-24.8	-25.8	-3.9%	-79.5	-85.7	-7.2%
Research and development expenses	-6.5	-7.7	-15.6%	-26.3	-27.0	-2.6%
Administration expenses	-14.8	-13.8	7.2%	-45.6	-41.6	9.6%
Other operating expenses	0.1	0.0	—	-0.1	0.0	—
Operating profit (EBIT)	3.0	4.0	-25.0%	8.4	16.6	-49.4%

Financial result

The financial result for Q3 amounted to SEK 0.6 m (2.1). Net financial items excluding exchange rate results amounted to SEK 1.8 m (1.7) and consisted mainly of interest on bank balances and leasing contracts. The exchange rate result amounted to SEK -1.2 m (0.4) in Q3 and refers to the translation of cash and cash equivalents into foreign currency.

Net income for the period

The net income for Q3 amounted to SEK 3.6 m (6.4). Tax costs for the period amounted to SEK 0.0 m (0.3).

Earnings per share

Earnings per share for Q3 amounted to SEK 0.31 (0.56).



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Operating segments

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

Americas

Since the peak in 2021 during the pandemic, the Americas probiotic market has seen decreasing volumes in recent years (source Euromonitor). This continued to be true for Q3 and is a relevant context for the current sales trajectory. YTD reported sales in SEK is down 1.5% against 2023, while in USD sales are flat i.e. USD 0.2 m or 0.8% below last year.

The gross margin increased due to improved efficiency in production as commented above.

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Net Sales	106.3	115.7	-8.1%	345.9	351.2	-1.5%
Cost of goods sold	-78.1	-88.4	-11.7%	-254.4	-250.4	1.6%
Gross profit	28.2	27.3	3.3%	91.5	100.7	-9.1%
Gross margin	26.5%	23.6%	2.9 ppt	26.5%	28.7%	-2.2 ppt

EMEA

Net sales in EMEA were in line with last year's performance and amounted to SEK 27.3 m. The gross margin was 56.4%, reflecting a decrease of 5.4 %-points compared to last year. The decrease was mainly driven by customers and products. The commercial activity in Q3 was centered around the new Probi Branding and introducing this to all our B2C customers in the Nordic region. We are excited by the response from end consumers during Q4 and beyond. During October, Probi launched its new product offering Probi® Sense in the Nordic region, available through pharmacies and selected retailers across Sweden, Denmark and Norway. For the B2B business we saw continued good traction in the quarter.

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Net Sales	27.3	27.4	-0.4%	89.8	69.7	28.8%
Cost of goods sold	-11.9	-10.4	14.4%	-41.1	-30.2	36.1%
Gross profit	15.4	16.9	-8.9%	48.7	39.5	23.3%
Gross margin	56.4%	61.8%	-5.4 ppt	54.2%	56.7%	-2.5 ppt



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APAC

Net sales in APAC decreased by 22.3% and amounted to SEK 10.1 m. The gross margin was 53.8%, reflecting a slight increase of 1 percentage point compared to the same period last year. Sales in the APAC region was impacted by a general economic slowdown and tougher market conditions in China, which caused delays in product launches and reduced commercial traction. Probi continued its market activities at a high pace in the region to maintain momentum and foster long-term relationships.

SEK m	Jul-Sep			Jan-Sep		
	2024	2023	Change, %	2024	2023	Change, %
Net Sales	10.1	13.0	-22.3%	38.6	50.7	-23.9%
Cost of goods sold	-4.7	-6.1	-23.0%	-18.8	-20.0	-6.0%
Gross profit	5.4	6.9	-21.7%	19.7	30.7	-35.8%
Gross margin	53.8%	52.8%	1.0 ppt	51.0%	60.6%	-9.6 ppt

Corporate events in the quarter

Organization & operations

Throughout the past year Probi has been engaged in a comprehensive rebranding effort, focused on both product lines and corporate identity. During Q3 this project reached its final stages. The new product branding has already begun rolling out, and the new corporate identity is planned to be employed in Q4. These changes are expected to enhance Probi's market presence and further align the company with its growth ambitions.

Sustainability

Probi further deepened its commitment to sustainable and ethical business practices through the successful completion of a SMETA 4-Pillar audit at both US manufacturing plants. The audit reviewed the company's performance in Labor Standards, Health & Safety, Environmental Impact, and Business Ethics. This achievement not only underlines Probi's dedication to maintaining high standards in its operations, but also strengthens the company's business relationships with key customers.

Research & Development

A [new study](#) on Probi's proprietary probiotic strain *Lactiplantibacillus plantarum* HEAL9, published in *Food & Function* in collaboration with the University of Pisa, found that the intake of HEAL9® in Alzheimer's-prone mice significantly reduced cognitive impairment, reduced brain plaque formation, and improved intestinal barrier function and inflammation. The findings suggest that HEAL9®, which is currently being commercialized as Probi® Sensia and Probi® Sense, could be a promising therapeutic option for mild cognitive impairment and potentially Alzheimer's disease as well.



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Cash flow and cash and cash equivalents

Cash flow from operating activities before changes in working capital amounted to SEK 28.1 m (28.8) in Q3 and was in line with the previous year.

Cash flow from operating activities amounted to SEK 62.1 m (16.9) in Q3, mainly impacted by lower account receivables.

Cash flow from investment activities amounted to SEK -11.8 m (-13.1) in Q3, mainly consisting of investments in intangible and tangible fixed assets.

Cash flow from financing activities amounted to SEK -4.5 m (-4.1) and was on par with last year.

The period's cash flow was SEK 44.0 m (-0.5) and cash and cash equivalents amounted to SEK 349.4 m (300.8).

Investments

During Q3, investments in intangible fixed assets amounted to SEK 5.4 m (6.0), of which SEK 1.7 m (1.3) related to patents, SEK 0.9 m (1.4) to capitalized development expenses and SEK 2.8 m (3.3) to IT systems. Investments in tangible fixed assets amounted to SEK 6.4 m (7.2), which mainly related to investments in the manufacturing unit at Redmond.

Employees

At the end of the period, Probi had 157 (168) employees, of which 51% (51) were women. The average number of employees during Q3 amounted to 162 (162).



Transactions with related parties

During Q3, Probi reported SEK 3.5 m (3.7) in revenue from its largest shareholder, Symrise, and costs amounted to SEK 0.0 m (0.0). No other transactions with related parties occurred during the reporting period.

Significant risks and uncertainties

Probi pursues continuous efforts to identify and evaluate the various types of risks to which its operations are exposed. To mitigate risks associated with raw material procurement, Probi secures long-term price agreements. Additionally, in response to rising inflation and cost pressures, Probi has adjusted its pricing strategies, although the full financial impact of these changes may manifest with a delay. Probi is also closely monitoring global geopolitical developments, such as the Russian invasion of Ukraine, for potential indirect impacts on our operations. Other risks and uncertainties to which Probi's operations are exposed are described on pages 46–47 of the annual report for 2023.

Parent company

During Q3, the parent company's operating income amounted to SEK 70.1 m (62.8). Net income for the period was SEK 13.1 m (13.6). For further details, please see the information for the Group.

Financial calendar

Year-end report 2024	January 28, 2025
Interim report Q1 2025	April 23, 2025
Annual General Meeting 2025	May 6, 2025
Interim report Q2 2025	July 17, 2025
Interim report Q3 2025	October 23, 2025
Year-end report 2025	January 28, 2026

Invitation to teleconference

Probi's interim report for Q3 2024 was published Tuesday October 22, 2024, at 8:00 a.m. On the same day at 10:00 a.m., a teleconference will be held with Anita Johansen, CEO and Per Lindblad, CFO, who will present the report. If you wish to participate via webcast please use the following link: <https://ir.financialhearings.com/probi-q3-report-2024>

The presentation is available at www.probi.com and www.financialhearings.com.

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Assurance by the Board of Directors

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

Lund, Tuesday October 22, 2024

Jean-Yves Parisot
Chairman of the Board

Jörn Andreas
Board member

Stephanie Blum Sperisen
Board member

Charlotte Hansson
Board member

Malin Ruijsenaars
Board member

Anita Johansen
CEO

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



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Consolidated statement of comprehensive income

SEK 000	Notes	Jul-Sep		Jan-Sep	
		2024	2023	2024	2023
Net sales	2	143,711	156,030	474,267	471,566
Cost of goods sold	3	-94,659	-104,801	-314,371	-300,613
Gross profit		49,052	51,229	159,896	170,953
Sales and marketing expenses		-24,847	-25,849	-79,550	-85,713
Research and development expenses		-6,465	-7,654	-26,294	-27,050
Administration expenses		-14,834	-13,768	-45,626	-41,587
Other operating expenses		94	31	-61	5
Operating profit (EBIT)		3,000	3,989	8,365	16,608
Financial income		2,514	2,248	7,873	5,519
Financial expenses		-728	-503	-1,710	-1,564
Exchange result financing activities	4	-1,206	362	42	989
Financial result		580	2,107	6,205	4,944
Earnings before income taxes		3,580	6,096	14,570	21,552
Income taxes		-3	299	-1,096	-2,143
Net income		3,577	6,395	13,474	19,409
Other comprehensive income					
Components to be reclassified to net income					
Exchange rate differences resulting from the translation of foreign operations		-46,271	-928	6,447	38,500
Cash flow hedge (currency hedges)		—	—	—	—
Income taxes payable on these components		—	—	—	—
Total components to be reclassified to net income		-46,271	-928	6,447	38,500
<i>Components not to be reclassified to net income</i>					
Equity instruments at fair value through OCI		-4,364	-1,362	-6,146	-2,489
Total components not to be reclassified to net income		-4,364	-1,362	-6,146	-2,489
Sum of other comprehensive income		-50,634	-2,290	301	36,011
Total comprehensive income		-47,058	4,105	13,775	55,420
Number of outstanding shares at end of the reporting period		11,394,125	11,394,125	11,394,125	11,394,125
Average number of shares		11,394,125	11,394,125	11,394,125	11,394,125
Earnings per share before and after dilution		0.31	0.56	1.18	1.70

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



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Consolidated statement of financial position

SEK 000	30 September 2024	31 December 2023
ASSETS		
Capitalized development cost	24,810	23,497
Customer base	192,200	211,718
Technology and other intangible assets	101,538	105,053
Goodwill	342,296	340,580
Property, plant and equipment	145,890	145,822
Right-of-use assets	75,029	49,010
Interests in other entities	66,898	73,044
Deferred tax assets	13,675	1,345
Non-current assets	962,336	950,069
Inventories	128,634	116,705
Trade receivables	62,701	79,792
Other assets and receivables	20,825	14,227
Cash and cash equivalents	349,407	329,650
Current assets	561,567	540,374
Total assets	1,523,903	1,490,443
EQUITY AND LIABILITIES		
Total equity	1,368,043	1,369,080
Deferred tax liabilities	—	—
Provisions	—	—
Non-current lease liabilities	60,962	38,212
Other non-current liabilities	5,298	5,272
Non-current liabilities	66,260	43,484
Trade payables	37,986	34,376
Current lease liabilities	20,282	15,585
Other current liabilities	31,332	27,918
Current liabilities	89,600	77,879
Total liabilities	155,860	121,363
Total equity and liabilities	1,523,903	1,490,443



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Consolidated changes in equity

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

SEK 000	Share capital	Other contributions received	Cumulative translation differences	Hedging reserve	Fair value reserve	Accumulated profit	Total equity
Opening balance, 1 Jan 2024	58,221	600,205	133,294	—	-35,878	613,238	1,369,080
Net income	—	—	—	—	—	13,474	13,474
Other comprehensive income	—	—	6,447	—	-6,146	—	302
Total Comprehensive Income	—	—	6,447	—	-6,146	13,474	13,776
Dividends	—	—	—	—	—	-14,812	-14,812
Total transactions with shareholders	—	—	—	—	—	-14,812	-14,812
Closing balance, 30 Sep 2024	58,221	600,205	139,742	—	-42,024	611,901	1,368,043



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Consolidated cash flow statement

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Net income	3,577	6,395	13,474	19,409
Adjustments to reconcile net income to cash from operating activities				
Income taxes	3	-299	1,096	2,143
Interest result	-1,786	-1,745	-6,163	-3,955
Amortization, depreciation and impairment of non-current assets	25,927	24,182	76,783	71,777
Other non-cash expenses and income	410	230	937	65
Cash flow before working capital changes	28,131	28,763	86,127	89,439
Change in trade receivables and other current assets	45,854	-14,296	9,721	-27,549
Change in inventories	-8,126	7,452	-11,605	-10,791
Change in trade payables and other current liabilities	999	-244	13,785	1,424
Income taxes paid	-4,757	-4,728	-12,617	-13,828
Cash flow from operating activities	62,101	16,947	85,411	38,695
Payments for investing in intangible assets	-5,361	-5,972	-16,437	-16,345
Payments for investing in property, plant and equipment	-6,413	-7,164	-22,042	-20,310
Divestments of tangible assets	0	4	42	15
Cash flow from investing activities	-11,774	-13,132	-38,437	-36,640
Interest paid	-740	-513	-1,619	-1,595
Interest received	318	277	1,056	1,019
Repayments for lease obligations	-4,113	-3,842	-12,391	-11,274
Dividends paid	—	—	-14,812	-14,812
Cash flow from financing activities	-4,535	-4,078	-27,766	-26,662
Cash flow for the period	45,792	-263	19,208	-24,607
Effects of changes in exchange rates	-1,822	-247	549	1,748
Change in cash and cash equivalents	43,970	-510	19,757	-22,859
Cash and cash equivalents at opening balance	305,437	301,357	329,650	323,706
Cash and cash equivalents at closing balance	349,407	300,847	349,407	300,847



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Parent company's condensed financial statements

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Operating revenue	70,072	62,814	225,137	207,598
Operating costs	-6,913	-16,756	-52,343	-52,588
Gross profit	63,159	46,058	172,794	155,010
Operating profit (EBIT)	20,781	16,354	59,331	54,127
Result from financial income and expenses	-3,370	1,185	1,457	3,009
Income before tax	17,411	17,539	60,788	57,136
Net income	13,060	13,644	47,085	44,655

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Net income	13,060	13,644	47,085	44,655
Sum of other comprehensive income	—	—	—	—
Total comprehensive income	13,060	13,644	47,085	44,655

SEK 000	30 September 2024	31 December 2023
ASSETS		
Non-current assets	1,027,847	1,033,004
Current assets	374,668	337,125
Total assets	1,402,515	1,370,129
EQUITY AND LIABILITIES		
Equity	1,369,510	1,337,238
Current liabilities	33,005	32,891
Total equity and liabilities	1,402,515	1,370,129



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Notes

1. Accounting and valuation principles

The Group

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

The accounting principles applied when these consolidated accounts were prepared have been applied consistently for all periods presented, unless otherwise stated. Complete accounting principles can be found on pages 65-66 of the annual report for 2023.

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

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

Parent company

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

2. Revenue from contracts with customers

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

SEK 000	Jul-Sep 2024				Jul-Sep 2023			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Goods	105,352	27,019	10,124	142,495	114,116	27,050	13,016	154,182
Royalty	954	262	—	1,216	1,541	307	—	1,848
Net sales	106,306	27,281	10,124	143,711	115,657	27,357	13,016	156,030

SEK 000	Jan-Sep 2024				Jan-Sep 2023			
	Americas	EMEA	APAC	Total	Americas	EMEA	APAC	Total
Goods	341,044	88,501	38,551	468,097	346,180	68,073	50,691	464,944
Royalty	4,828	1,342	—	6,170	4,988	1,634	—	6,622
Net sales	345,872	89,843	38,551	474,267	351,168	69,707	50,691	471,566



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3. Currency translation from operating activities

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

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Exchange gains operating activities	-165	109	1,720	2,790
Exchange losses operating activities	-1,251	-1,213	-3,033	-3,065
Exchange result operating activities	-1,416	-1,104	-1,312	-275

4. Currency translation from financial activities

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

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Exchange gains financing activities	587	870	3,125	2,764
Exchange losses financing activities	-1,793	-508	-3,083	-1,775
Exchange result financing activities	-1,206	362	42	989

5. Definition of alternative performance indicators not defined in IFRS

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

Operating profit/loss (EBIT)

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

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Net income	3,577	6,395	13,474	19,409
Income taxes	3	-299	1,096	2,143
Financial result	-580	-2,107	-6,205	-4,944
Operating profit (EBIT)	3,000	3,989	8,365	16,608

EBITDA

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

SEK 000	Jul-Sep		Jan-Sep	
	2024	2023	2024	2023
Operating profit (EBIT)	3,000	3,989	8,365	16,608
Depreciation and amortization	25,927	24,181	76,783	71,776
EBITDA	28,927	28,170	85,148	88,384



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

About Probi

Probi® is a global Group that focuses exclusively on research, manufacturing and delivery of probiotics in dietary supplements and food. The company has expertise in managing live bacteria from research through all stages of the manufacturing process and is dedicated to making the health-promoting benefits of probiotics available to people around the world. Since the company was founded in 1991 at Lund University in Sweden, Probi has expanded its operations to more than 40 markets and holds around 400 patents worldwide. Probi had sales of SEK 628 m in 2023. Probi's shares are listed on Nasdaq Stockholm, Mid-cap, and there were around 3,400 shareholders on December 31, 2023.



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Statement from the independent bid committee of Probi

The description of Probi on the pages 16–31 of this offer document has been reviewed by the independent bid committee of Probi.⁵ It is the opinion of the independent bid committee of Probi that this short description provides an accurate and fair, although not complete, picture of Probi.

17 December 2024

Probi AB (publ)

The independent bid committee

⁵ Probi's chairman of the board, Jean-Yves Parisot, is the CEO of Symrise, and the board member Jörn Andreas was until recently a board member of Symrise. Jean-Yves Parisot and Jörn Andreas are accordingly deemed to have a conflict of interest pursuant to Rule II.18 of the Takeover Rules and have not participated in, and will not participate in, the board of Probi's handling of or decisions regarding the Offer.

Tax issues in Sweden

The following is a summary of certain Swedish tax consequences that may arise from the Offer. The summary is based on current Swedish tax legislation and is intended only as general information for shareholders who are resident in Sweden for tax purposes, unless otherwise indicated. The summary does not deal comprehensively with all tax consequences that may occur in this context. For instance, it does not deal with the rules that in certain cases apply in the corporate sector with respect to tax-exempt capital gains on “shares held for business purposes” (Sw. näringsbetingade aktier). Nor does this description deal with the rules that apply where shares are held by a partnership, held as inventory by a legal person or held in an investment savings account (Sw. investeringssparkonto) or endowment insurance (Sw. kapitalförsäkring). It does not cover the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares, the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. investeraravdrag), foreign companies conducting business through a permanent establishment in Sweden, or foreign companies that have been Swedish companies.

Special tax consequences that are not described below may also apply for certain categories of shareholders, such as investment companies, mutual funds, banks, brokers and other financial traders holding shares as trading assets. Each shareholder is recommended to consult a tax advisor for information with respect to the special tax consequences that may arise from the Offer, including the applicability and effect of foreign tax legislation, provisions in tax treaties and other rules that may be applicable.

GENERAL INFORMATION ON TAXATION IN CONNECTION WITH SALE OF SHARES

Shareholders who accept the Offer and sell their shares in Probi will generally be subject to capital gains taxation. The capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales expenses, and the acquisition cost for tax purposes. The acquisition cost is determined according to the “average method”. This means that the acquisition cost for all shares of the same type and class are added together and determined collectively, with respect to changes to the holding. For listed shares (such as the Probi shares) the acquisition cost may, as an alternative, be determined as 20 per cent of the net sale revenue under the “standard rule” (Sw. schablonmetoden).

INDIVIDUALS

For private individuals resident in Sweden for tax purposes, capital income, such as interest income, dividends and capital gains, is taxed in the capital income category. The tax rate for the capital income category is 30 per cent. Capital losses on listed shares and other listed securities that are taxed in the same manner as shares (not mutual funds (Sw. värdepappersfonder) or hedge funds (Sw. specialfonder) containing Swedish receivables only (Sw. räntefonder)) are, however, fully deductible against taxable capital gains on such assets or on non-listed shares in Swedish limited liability companies and foreign legal entities. If a capital loss on listed shares could not be deducted as above, 70 per cent of the loss may be deducted from other income from capital. Should a deficit arise in the income from capital category, a reduction of the tax on income from employment and from business operations, as well as the real-estate tax and the municipal real-estate fee, is allowed. Such tax reduction amounts to 30 per cent of any deficit not exceeding SEK 100,000 and 21 per cent of any remaining deficit. Deficits may not be carried forward to a later fiscal year.

LIMITED LIABILITY COMPANIES

For limited liability companies, capital gains on shares are normally taxed as income from business operations at a rate of 20.6 per cent. For the calculation of capital gains and losses, see the section “General information on taxation in connection with sale of shares” above. A tax-deductible capital loss

on shares incurred by a corporate shareholder may only be offset against taxable gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may however, under certain circumstances, also be offset against capital gains on such securities within the same group of companies, provided the requirements for group contributions (tax consolidation) are met (Sw. *Koncernbidrag*). Capital losses on shares or other securities that are taxed in the same manner as shares, which have not been deducted from capital gains within a certain fiscal year, may be carried forward and be offset against such capital gains in future fiscal years without any limitation in time.

SHAREHOLDERS RESIDING OUTSIDE OF SWEDEN

Generally, shareholders who are not fiscally resident in Sweden and do not carry out business operations from a permanent establishment in Sweden are not subject to Swedish taxation on a sale of shares. These shareholders may nonetheless be subject to tax in their residence state. However, as far as individuals are concerned, capital gains on the sale of shares may be subject to Swedish tax if the individual has been resident or habitually stayed in Sweden at any time during the calendar year of the sale or any of the ten preceding calendar years. The applicability of this provision may however be limited under tax treaties that Sweden has concluded with other countries.

Offer restrictions

Important information for shareholders outside Sweden and for banks, brokers, dealers, nominees and other intermediaries holding shares for persons with residence outside Sweden.

The offer document is not an offer, whether directly or indirectly, in Australia, Canada, New Zealand, Hong Kong, Japan, Singapore, South Africa, South Korea, Russia, Belarus or in any other jurisdictions where such offer pursuant to legislation and regulations in such relevant jurisdictions would be prohibited by applicable law (the “**Restricted Territories**”). Shareholders not resident in Sweden who wish to accept the Offer must make inquiries concerning applicable legislation and possible tax consequences.

The Offer is not being made, directly or indirectly, in or into the Restricted Territories by use of mail or any other communication means or instrumentality (including without limitation, facsimile transmission electronic mail telex, telephone and the Internet) of interstate or foreign commerce or of any facility of national securities exchange or other trading venue of the Restricted Territories and the Offer cannot be accepted by any such use or by such means, instrumentality or facility of, in or from, the Restricted Territories. Accordingly, the offer document and any documentation relating to the Offer are not being and should not be sent, mailed or otherwise distributed or forwarded in or into the Restricted Territories.

The offer document is not being, and must not be, sent to shareholders with registered addresses in the Restricted Territories. Banks, brokers, dealers and other nominees holding shares for persons in the Restricted Territories must not forward the offer document or any other document received in connection with the Offer to such persons. Persons receiving such documents or information (including custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory by use of mail or any means, within a Restricted Territory in connection with the Offer.

Any failure to comply with these restrictions may constitute a violation of the securities laws of any of the Restricted Territories. It is the responsibility of all persons obtaining the offer document, acceptance form or other documents relating to the offer document or to the Offer or into whose possession such documents otherwise come, to inform themselves of and observe all such restrictions. Any recipient of the offer document who is in any doubt about his or her status in relation to these restrictions should consult his or her professional advisor in the relevant territory.

Neither Symrise, Lazard nor Avanza accepts or assumes any responsibility or liability for any violation by any person of any such restrictions.

The offer document does not represent an offer to acquire or obtain securities other than the shares of Probi that are subject to the Offer.

Any purported tender of shares in the Offer resulting directly or indirectly from a violation of the restrictions described in the offer document and the related documents will be invalid. Further, any person purporting to tender shares pursuant to the Offer will be deemed not to have made a valid tender if such person is unable to make the representations and warranties set out in the section “*Certifications as to Restrictions*” below and any corresponding representations and warranties in the acceptance form. Acceptances of the Offer and tenders of shares of Probi made by a person located in a Restricted Territory, by any trustee, representative, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the Restricted Territories, or by the use of mail or any other communication means, within the Restricted Territories, directly or indirectly, will not be accepted (and should not be accepted by any such custodian, nominee, trustee agent, fiduciary or other intermediary holding shares of Probi for any persons).

Any acceptance form or other communication relating to the Offer that originates from, is postmarked from, bears a return address in, or otherwise appears to have been dispatched from, the Restricted Territories will not be accepted (and should not be accepted by any trustee, representative, fiduciary or other intermediary).

Acceptances of the Offer and tenders of shares of Probi will not be accepted (and should not be accepted by any custodian, nominee trustee agent, fiduciary or other intermediary) if the consideration for the shares of Probi is required to be mailed or otherwise delivered in or into a Restricted Territory or if an address within a Restricted Territory is provided for receipt of the price of the shares in the Offer or the return of the acceptance form.

Each of Symrise, Lazard and Avanza reserves the right, in its absolute discretion (and without prejudice to the relevant shareholder's responsibility for the representations and warranties made by it to (a) reject any tender of shares without investigation because the origin of such tender cannot be determined, or (b) investigate, in relation to any tender of shares pursuant to the Offer, whether any such representations and warranties given by a shareholder are correct and, if such investigation is undertaken and as a result Symrise determines (for any reason) that such representations and warranties are not correct, such tender may be rejected.

CERTIFICATION AS TO RESTRICTIONS

By accepting the Offer through delivery of a duly executed acceptance form to Avanza, the holder of tendered shares, and any custodian, nominee, trustee, agent, fiduciary or other intermediary submitting the acceptance form on behalf of such holder, certifies that such person:

- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of receiving the offer document, the acceptance form or any other document or information relating to the Offer, and has not mailed, transmitted or otherwise distributed any such document or information in or into a Restricted Territory;
- has not used, directly or indirectly, mail, or any means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex and telephone) of interstate or foreign commerce, or the facilities of the securities exchanges, of a Restricted Territory in connection with the Offer;
- was not present or resident in, nor is a citizen of, a Restricted Territory at the time of accepting the terms of the Offer, at the time of returning the acceptance form or at the time of giving the order or instruction to accept the Offer (whether orally or in writing); and
- if acting in a custodial, nominee, trust, fiduciary, agency or other capacity as an intermediary, then either (i) has full investment discretion with respect to the shares covered by the acceptance form or (ii) the person on whose behalf it is acting has authorized it to make the foregoing representations and was not present or resident in, nor is a citizen of, a Restricted Territory at the time he or she instructed such custodian, nominee, trustee, fiduciary, agent or intermediary to accept the Offer on his or her behalf, and such custodian, nominee, trustee, fiduciary, agent or other intermediary is processing that acceptance as part of its normal securities custodial function.

Important notice to shareholders in the United States of America

The Offer described in this offer document is made for the issued and outstanding shares of Probi, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which may be different from those of the United States. The Offer is made in the United States pursuant to Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”) and Regulation 14E thereunder (“**Regulation 14E**”), to the extent applicable, and otherwise in compliance with the disclosure and procedural requirements of Swedish law, including with respect to withdrawal rights, the Offer timetable, notices of extensions, announcements of results, settlement procedures (including as regards to the time when payment of the consideration is rendered) and waivers of conditions, which may be different from requirements or customary practices in relation to U.S. domestic tender offers. The offeror’s ability to waive the conditions to the Offer (both during and after the end of the acceptance period) and the shareholders’ ability to withdraw their acceptances, may not be the same under a tender offer governed by Swedish law as under a tender offer governed by U.S. law. Holders of the shares of Probi domiciled or resident in the United States (the “**U.S. Holders**”) are encouraged to consult with their own advisors regarding the Offer.

Probi’s financial statements and all financial information included herein, or any other documents relating to the Offer, have been or will be prepared in accordance with IFRS and may not be comparable to the financial statements or financial information of companies in the United States or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles. The Offer is made to the U.S. Holders on the same terms and conditions as those made to all other shareholders of Probi to whom the offer is being made. Any information documents, including the offer document, are being disseminated to U.S. Holders on a basis comparable to the method pursuant to which such documents are provided to Probi’s other shareholders.

The U.S. Holders should consider that the price for the Offer is being paid in SEK and that no adjustment will be made based on any changes in the exchange rate.

It may be difficult for U.S. Holders to enforce their rights and any claims they may have arising under the U.S. federal or state securities laws in connection with the Offer, since Probi is located in another country other than the United States, and some or all of its officers and directors may be residents of countries other than the United States. U.S. Holders may not be able to sue Probi or Symrise or their respective officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel Probi or Symrise and/or their respective affiliates to subject themselves to the jurisdiction or judgment of a U.S. court.

To the extent permissible under applicable law or regulations, Symrise and its affiliates or its brokers and its brokers’ affiliates (acting as agents for Symrise or its affiliates, as applicable) may from time to time and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly purchase or arrange to purchase shares of Probi outside the United States in reliance on applicable exemptions from the requirements of Regulation 14E (or any securities that are convertible into, exchangeable for or exercisable for such shares). These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, but in any event, at a price per share not more than the Offer Price, and information about such purchases will be disclosed by means of a press release or other means reasonably calculated to inform U.S. Holders of such information. In addition, affiliates to the financial advisors to Symrise may also engage in ordinary course trading activities in securities of Probi, which may include purchases or arrangements to purchase such securities as long as such purchases or arrangements are in compliance with applicable law and regulation. Any information about such purchases will be announced in Swedish and in a non-binding English translation available to the U.S. Holders through relevant electronic media if, and to the extent, such announcement is required under applicable Swedish or U.S. law, rules or regulations.

The receipt of cash pursuant to the Offer by a U.S. Holder may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each shareholder is urged to consult an independent professional advisor regarding the tax consequences of accepting the Offer. Neither Symrise nor any of its affiliates and their respective directors, officers, employees or agents or any other person acting on their behalf in connection with the Offer shall be responsible for any tax effects or liabilities resulting from acceptance of this Offer. Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved the Offer, passed any comments upon the merits or fairness of the Offer, passed any comment upon the adequacy or completeness of the offer document or passed any comment on whether the content in the offer document is correct or complete. Any representation to the contrary is a criminal offence in the United States.

Lazard is not responsible to anyone other than Symrise for advice in connection with the Offer.

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