

Remuneration report 2024

Introduction

This report describes how the guidelines for remuneration to senior executives for BioGaia AB, adopted at the 2023 Annual General Meeting, were applied in 2024. The report also includes information on remuneration to the Chief Executive Officer and Executive Vice Presidents, as well as a summary of BioGaia's bonus program and long-term incentive programs. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's rules on remuneration to senior executives and incentive programs.

Additional information on remuneration to senior executives is provided in note 3 on pages 151-152. Information on the work of the Remuneration Committee in 2024 is provided in the corporate governance report on page 167. Fees for members of the Board are not included in this report. Such fees are determined annually at the Annual General Meeting and reported in note 3 on pages 151-152. The remuneration of SEK 420 thousand paid to the Board Chairman in addition to the director's fee in accordance with special approval from the Annual General Meeting in 2023 and 2024 is also specified there.

Development in 2024

The Chief Executive Officer summarizes BioGaia's overall results in the statement on page 11.

BioGaia's remuneration guidelines: application areas, purpose and deviations

BioGaia performs research and development to provide consumers with clinically proven, health-promoting, patented and user-friendly probiotic products. For more information about BioGaia's business strategy, see the Annual Report. Successful implementation of the business strategy and safeguarding BioGaia's long-term interests, including its sustainability, require BioGaia to be able to recruit, motivate and retain competent employees who work to achieve maximum shareholder and customer value. This requires BioGaia to be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

Remuneration shall be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The Annual General Meeting may in addition - and independent of these guidelines - resolve on, for example, share-based and share-price based remuneration. The total remuneration package to senior executives should include a well-balanced mix of the above-named components, as well as terms of notice and severance pay. The Board should annually evaluate whether share-based or share-price based long-term incentive programs should be proposed to the Annual General Meeting.

The fixed cash salary shall be individual and based on the senior executive's

responsibilities and role as well as the individual's competence and experience in the relevant position. The variable cash remuneration may amount to a maximum of 50% of the fixed annual cash salary.

Senior executives who are entitled to pensions shall have pension benefits that are defined contribution. Variable cash remuneration shall not be pensionable. Pension premiums for defined contribution pensions shall amount to a maximum of 30% of the fixed annual cash salary.

The guidelines are available on page 138-139. BioGaia has followed the applicable remuneration guidelines adopted by the Annual General Meeting in 2024. The auditor's statement on BioGaia's compliance with the guidelines is available at www.biogaiaigroup.com/investors/corporate-governance. No remuneration has been reclaimed.

Application of performance criteria

Variable cash remuneration shall be linked to pre-determined and measurable criteria which may be financial or non-financial. It may also consist of individually adapted quantitative or qualitative targets. The criteria shall be designed so that they promote the group's business strategy and long-term interests, including its sustainability, through for example having a clear link to BioGaia's business strategy or promoting the executive's long-term development.

Fulfillment of the criteria for payment of variable cash remuneration shall be measured over a period of one year. When the measurement period for fulfillment of the criteria for payment of variable cash remuneration has ended, the extent to which the criteria have been met shall be determined. The Remuneration Committee is responsible for the assessment regarding variable cash remuneration to the CEO. As regards variable cash remuneration to other senior executives, the CEO is responsible for the assessment.

Table 1 - Total remuneration to the Chief Executive Officer and Executive Vice President in 2024 (SEK 000s)

	Fixed salary ¹⁾	Variable remuneration	Stay on bonus	Pension insurance incl. health insurance	Total
Chief Executive Officer Theresa P Agnew	4 893	2 384		1 455	8 732
Executive Vice President Alexander Kotsinas	2 185	256	667	551	3 659

¹⁾ Fixed salary including vacation pay and other benefits

Incentive program

The company has an incentive program for all employees in the parent company, except for the CEO, as well as in parts of the group, based partly on the company's sales and results (quantitative portion), and partly on qualitative targets. The maximum bonus is equal to 12% of annual salary. For 2024, the quantitative portion (6%) was linked to budgeted sales and operating profit. Full quantitative bonus was achieved in 2024.

For 2024, a condition for the qualitative portion (6%) is that 90% of the sales budget had been achieved as well as being linked to individual targets.

Long-term warrant program

BioGaia has implemented a subscription warrants program as resolved by the 2021 Annual General Meeting. The program involves the issue of a maximum of 365,000 warrants where each warrant shall entitle the holder during the period from July 6, 2024 through November 6, 2024 to subscribe for five new class B shares in BioGaia for a subscription price per five shares that amounts to SEK 578.2. The employees have been invited to purchase the warrants at an amount of SEK 55.6, which is the market value determined by support of external valuation expertise. A total of 89,730 warrants were subscribed for, which resulted in an additional equity injection of SEK 5.0 million and a possible dilution of existing shareholders of 0.4%. The program also includes a stay-on bonus extending over a three-year period. In 2024, a total of SEK 453 thousand was paid in stay-on bonuses to participants in the warrant program.

Out of the total of 89,730 warrants subscribed in conjunction with the incentive program, 84,750 were subscribed for by the management team including the then Chief Executive Officer, who subscribed for 32,250 warrants. The group's Executive Vice President subscribed for 33,000 warrants.

The number of shares and votes in BioGaia increased during the third quarter due to the exercise of the warrants issued under this program for the subscription of shares. Through the subscription, the number of class B shares and votes in BioGaia increased by 180,000 and the share capital increased by SEK 36,000. The exercise period expired during the fourth quarter of 2024.

Furthermore, the Annual General Meeting in 2024 resolved on a new employee stock option program that is currently being implemented.

The target achievement for the Chief Executive Officer and Executive Vice Presidents and bonus are presented in the table below.



Table 2a Performance of the Chief Executive Officer and Executive Vice Presidents in 2024 (SEK 000s) variable cash remuneration

	Description of criteria in relation to remuneration component	Relative weighting performance measures	Measured performance/remuneration outcome
Chief Executive Officer Theresa P Agnew	Financial goals in relation to sales and operating margin	67%	100 % / 799
	Qualitative goals	33%	100 % / 394
Executive Vice President Alexander Kotsinas	Financial goals in relation to sales and operating margin	50%	100 % / 128
	Qualitative goals	50%	100 % / 128

Table 2b Performance of the Chief Executive Officer in 2024 (SEK 000s) variable share-based remuneration 1)

	Description of criteria in relation to remuneration component	Relative weighting performance measures	Measured performance/remuneration outcome
Chief Executive Officer Theresa P Agnew	Financial goals in relation to sales and operating margin	67%	100 % / 799
	Qualitative goals	33%	100 % / 394

¹⁾ Allocation in 2025 through 60,000 employee stock options.

Table 3 Changes in remuneration and the company's earnings over the last five reported financial years (SEK 000s)

	2024	2023	2022	2021	2020
Group operating profit (percentage change)	423,371 (-4%)	443,103 (+23%)	361,459 (+42%)	253,737 (+11%)	228,150 (-6%)
Chief Executive Officer Total remuneration (percentage change) ¹⁾	8,795 (+20%)	7,317 (+39%)	5,252 (+36%)	3,866 (+20%)	3,217 (-3%)
Executive Vice President Alexander Kotsinas Total remuneration (percentage change) ²⁾	3,659 (+19%)	3,067 (+3%)	2,976	-	-
Average remuneration based on number of full-time equivalents employed in the group ³⁾	739 (+8%)	686 (0%)	686 (+3%)	664 (+10%)	603 (+1%)
Average remuneration based on number of full-time equivalents employed in the Parent Company ³⁾	946 (+12%)	864 (-6%)	924 (+8%)	856 (+19%)	718 (+0%)

¹⁾ The CEO was replaced in 2023. The remuneration for 2023 consists of the total remuneration of both CEOs for each period.

²⁾ The Executive Vice President assumed the position in 2022, therefore no comparative figures are presented for 2022.

³⁾ Excluding the Chief Executive Officer and Executive Vice President(s). Remuneration to former Executive Vice Presidents who are no longer employed by the company is not shown separately in the table but is included in the calculation of average remuneration for the years they were employed.

