

## **BioGaia acquires its US distributor – strengthening its market position in the US**

**BioGaia AB (publ) has, through its US subsidiary BioGaia Biologics Inc, signed an agreement to acquire all shares in Nutraceuticals Corporation (“Nutraceuticals”). Nutraceuticals holds all shares in Everidis Inc (“Everidis”), which is BioGaia’s exclusive distributor of BioGaia branded products in the US.**

The shares will be acquired in two steps, of which the first step will take place on the 31<sup>st</sup> of December 2021 when BioGaia acquires 80% of the shares through an acquisition of shares and a new share issue for a consideration of 9.7 and 5 million USD respectively. The transaction values Nutraceuticals at 13.9 million USD on a cash and debt-free basis, corresponding to 5.3x expected operating profit 2021. BioGaia will acquire the remaining 20% of the shares during either 2027 or 2028 (determined at BioGaia’s sole discretion) for an amount based on the net revenue for the year directly prior to the acquisition of the remaining shares. The purchase price for the remaining shares is estimated currently, based on Everidis’ long-term sales plan, to be approximately 22 million USD. Jennifer Cherry, Everidis’ current CEO, will remain company CEO and no management changes are planned for the organization.

With a retail sales value of 2 billion USD\*, the US is the number one probiotic market in the world with a good long-term potential for continued growth. The US is a key market for BioGaia where it has worked in partnership with Everidis since 2007. The company has been very successful with its omni-channel strategy in combination with marketing both to healthcare professionals and to end-consumers which has resulted in the US being BioGaia’s largest market in 2021.

The investment in Everidis, whose sales to a large extent are online, is part of BioGaia’s long-term strategy to invest in direct-to-consumer digital sales and complements the company’s efforts in Finland, the UK and Sweden, which have been initiated during 2021.

Nutraceuticals and Everidis together have 23 employees and expected revenues of 16.5 million USD for the full year 2021, of which approximately 87% are BioGaia branded products, and are expected to have an operating profit of 2.6 million USD. Through the support of BioGaia and since part of the acquisition is made through a share issue Nutraceuticals will have resources to intensify direct-to-consumer marketing efforts, and still maintain a solid marketing program towards health care professionals. BioGaia’s revenue and operating profit for 2021 would have been positively affected by approximately 10 million USD and 2.6 million USD respectively, had Nutraceuticals been a part of BioGaia during the entirety of 2021. The acquisition is financed from existing cash reserves.

*\*Source Euromonitor September 2021*

*BioGaia is an innovative Swedish healthcare company that develops, markets and sells probiotic products with documented health benefits. The products are sold through local distribution partners in more than 100 countries worldwide. The class B share of the Parent Company BioGaia AB is quoted on the Mid Cap segment of Nasdaq Stockholm. [biogaia.com](http://biogaia.com)*

“Since I started at BioGaia I have always been impressed by the professionalism of our US distributor Everidis. Thanks to the unique understanding of the US probiotic market by CEO Jennifer Cherry, Everidis has been able to set the standard for the whole BioGaia group in terms of omni-channel strategy. I am extremely pleased to welcome all Nutraceuticals and Everidis colleagues into the BioGaia family”, says Isabelle Ducellier, CEO BioGaia.

“For over 13 years Everidis Health Sciences has had a fantastic partnership with BioGaia. The idea of making it permanent is brilliant, and we couldn’t be more excited to become part of the BioGaia family. Through human spirit, Everidis’ talented team is building BioGaia into a powerful and trusted brand in the United States. With BioGaia, we will have access to resources and capabilities to help catapult growth and achieve the goal of becoming the leader of the science-driven probiotic category”, says Jennifer Cherry, CEO Everidis.

#### Latest press releases from BioGaia

09.11.2021	BioGaia AB’s Nomination Committee for the 2022 Annual General Meeting
21.10.2021	BioGaia AB Interim Management Statement – January – September 2021
13.10.2021	BioGaia’s profit for third quarter to exceed market expectations

This information is information that BioGaia AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the CEO, 30 December 2021 at 17.40 CET.