

BioGaia invests in promising research company

BioGaia has decided to invest SEK 12 million in MetaboGen AB, Gothenburg, Sweden. The investment will be made over a two year period and will then give BioGaia 35% of the share capital of the company. BioGaia's president, Peter Rothschild will now become chairman of the board of MetaboGen.

MetaboGen is a research company, which was founded in 2011 in Gothenburg by Professor Fredrik Bäckhed at the University of Gothenburg and Professor Jens B Nielsen at Chalmers University of Technology together with GU Holding, which commercializes research results and develops companies linked to the University of Gothenburg. MetaboGen researches in metagenomics, the research intensive and fast developing field of gene sequencing of all genes in the microbial communities of for example the human gut to find previously unknown members and patterns of the microbial diversity related to health and disease. The aim is to develop new treatments and products for different metabolic and other microbial associated diseases by influencing large parts of the microbiota.

The MetaboGen proprietary research platform is based on the frontier work by Professor Fredrik Bäckhed's and Professor Jens B Nielsen's research teams. The both of them are active in the company and manage today two big research teams at their respective universities.

"I am very pleased that we are deepening our interesting collaboration with Prof. Fredrik Bäckhed and now also with Prof. Jens B Nielsen and their research teams, aiming to develop the next generation of probiotic products that could be possible with the help of this new and advanced technology", says Peter Rothschild, CEO of BioGaia.

"The fit with BioGaia as an investor in MetaboGen is perfect for the future. Our research coupled with BioGaia's knowledge and experience in developing and marketing microbial based products is a unique combination that has high likelihood of success", says Professor Fredrik Bäckhed.

For additional information please contact

Peter Rothschild, President, telephone: +46 8 555 293 00

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BioGaia has published this information in accordance with the Swedish Securities Market Act. The information was issued for publication on 1 December, 2014 8:45 am CET.

BioGaia is a healthcare company that develops, markets and sells probiotic products with documented health benefits. The products are primarily based on the lactic acid bacterium *Lactobacillus reuteri* which has probiotic, health-enhancing effects. The class B share of the Parent Company BioGaia AB is quoted on the Mid Cap list of the NASDAQ OMX Nordic Exchange Stockholm. www.biogaia.com