

Press Release 12 June 2015

BioGaia evaluates the possibility of a separate listing of Infant Bacterial Therapeutics AB

BioGaia's board of directors has instructed the management team to evaluate the possibility of a separate listing of its subsidiary Infant Bacterial Therapeutics AB (IBT).

In November 2013, BioGaia's board of directors resolved to invest in a first phase of a project which aims at developing a prophylactic drug against necrotizing enterocolitis (NEC), which affects premature babies. BioGaia has, until 31 May 2015, provided financing of SEK 24 million to the project, of the total resolved amount of approximately SEK 47 million.

The project is managed by BioGaia's subsidiary Infant Bacterial Therapeutics (IBT), where Staffan Strömberg is the CEO. IBT's board is composed of Peter Rothschild, Jan Annwall, Anders Ekblom¹ and IBT's Head of R&D Eamonn Connolly. For more information about IBT, please see www.ibttherapeutics.com as well as www.clinicaltrials.gov for more information about the ongoing project.

The development of the drug has progressed more rapidly than planned and IBT is now planning to begin its first clinical trials in 2015. To finance the first clinical trials, IBT has an estimated capital need of approximately SEK 130 million. To enable BioGaia's shareholders to invest directly in this project, the board of directors has instructed the management team to evaluate the possibility of a separate listing of IBT during the second half of 2015.

It is the opinion of the board that a separate listing would be beneficial for BioGaia's shareholders, as it would highlight the value of the pharmaceutical project managed by IBT and also result in a streamlining of the respective businesses.

Carnegie Investment Bank and Advokatfirman Vinge have been engaged as advisers to BioGaia and IBT.

For additional information please contact

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BioGaia has published this information in accordance with the Swedish Securities Market Act. The information was issued for publication on [12 June 2015 12:30 pm CET].

¹ Anders Ekblom was previously Global Head of Science & Technology, R&D and CEO of AstraZeneca Sweden AB

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