

BioGaia increases further in MetaboGen

BioGaia has decided to acquire additional shares in the associated company MetaboGen AB and is now investing SEK 11.7 million in shares in the company. BioGaia's share of the company increases from 36 percent to 62 percent, and BioGaia thereby becomes the majority shareholder in the company.

In addition to the acquisition of shares, BioGaia also receives an option to acquire the remaining 38 percent in the company within a three-year period. The additional purchase price can amount to a maximum of SEK 40 million, depending on whether a number of milestones have been achieved.

In December 2014 BioGaia reported its decision to invest SEK 12 million in MetaboGen. The investment should be made over a two-year period and included conditions for agreed milestones. The first investment of SEK four million was carried out in December 2014, the second in December 2015 and the third investment in December 2016. BioGaia thereafter owned 36 percent of the share capital of MetaboGen.

Research on the microbiome is developing very rapidly and pharmaceutical companies make major investments in the area. Through the investment in MetaboGen BioGaia can maintain its strong position within the probiotic research area. BioGaia will initiate a number of research projects in MetaboGen. The cost of these projects is estimated at around MSEK 22 and the projects will be implemented over a three-year period. In addition to this, operations and developments that are already taking place in the company today are estimated to cost approximately SEK ten million per year, if no license agreements with third parties are made.

"We look forward to a deeper collaboration with BioGaia, which we consider to be a long-term partner. The investment enables us to continue the research and develop therapies in the microbiome field," says Fredrik Bäckhed, Professor at the University of Gothenburg.

"The microbiome is a hot research area, and MetaboGen's business is therefore perfectly in line with the development of the BioGaia Group. BioGaia's core business, together with the subsidiary BioGaia Pharma and now also MetaboGen, provides us with a solid platform to continue to be at the leading edge of probiotic research," says Peter Rothschild, Group President at BioGaia.

MetaboGen was founded in 2011 by Professor Fredrik Bäckhed at the University of Gothenburg and Professor Jens B Nielsen at Chalmers University of Technology, together with GU Ventures, which commercializes research findings and develops companies related to the University of Gothenburg.

In addition to assignments for BioGaia, MetaboGen has a collaboration with the pharmaceutical company Ferring and holds a number of patents and patent applications in the microbiome field. The company has a laboratory in Gothenburg where development of new probiotic strains takes place.

Fredrik Bäckhed and Jens B Nielsen will continue to work with the company. Likewise, Peter Rothschild will continue to be Chairman of the Board and Sara Malcus President of MetaboGen.

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 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



For additional information please contact

Peter Rothschild, Group President BioGaia, telephone: +46 708 30 65 40

Axel Sjöblad, Managing Director BioGaia, telephone: +46 8 555 293 00

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 Group President, at 3.30 PM CET on 6 April 2018.

Latest press releases from BioGaia

2018-03-26 BioGaia publishes annual report for 2017
2018-03-26 Notice to attend the Annual General meeting of BioGaia AB (publ)
2018-03-23 Dr Reddy's launches BioGaia Protectis drops in India

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 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

