

BioGaia AB Interim report 1 January – 30 June 2016

(Figures in brackets refer to the same period of last year. The comparative figures in the balance sheet refer to 31 December 2015)



Managing Director's comments:

"Net sales in the first half of 2016 reached SEK 269.9 million and it is very satisfying that we have reached the same level as in the same period of 2015 despite the large inventory build-up in Brazil in 2015. Second quarter earnings were driven by very strong sales in Europe where the Easy Dropper launch continues, strong sales in Asia and modest sales in the USA and Canada. With regard to the USA and Canada it is important to note that cumulative sales for January to June 2016 rose by 21% compared to the same period of last year. Furthermore, I would like to highlight the solid development in the Business Unit Adult Health which grew by 15 % compared to second quarter last year, partly driven by the continued roll-out of ProDentis and Gastrus. Finally, two new clinical studies, one on treatment of abdominal pain in children and the other on reduction of gingivitis in pregnant women (a new target group for us), have further demonstrated the strength of our products," says Axel Sjöblad, Managing Director of BioGaia AB.

Period from 1 January to 30 June 2016

Net sales amounted to SEK 269.9 million (272.9), a decrease of SEK 3.0 million (1%). No material foreign exchange effects arose.

Net sales in Business Unit Paediatrics reached SEK 214.8 million (224.1), a decrease of SEK 9.3 million (4%).

Net sales in Business Unit Adult Health amounted to SEK 46.8 million (42.1), an increase of SEK 4.7 million (11%).

Operating profit excluding the distributed former subsidiary IBT was SEK 104.7 million (104.6), an increase of SEK 0.1 million (0%). Including IBT, operating profit was SEK 99.5 million (95.0).

Profit after tax excluding IBT was SEK 77.3 million (86.5), a decrease of SEK 9.2 million (11%).

Earnings per share from continuing operations totalled SEK 4.46 (5.00). Earnings per share including discontinued operation totalled to SEK 8.39 (4.57).

The period's cash flow was SEK -79.8 million (-8.8). Cash and cash equivalents at 30 June 2016 amounted to SEK 148.2 million (226.9). Cash flow includes the distribution of the subsidiary IBT, which had a negative impact on cash flow of SEK 37.6 million.

Second quarter 2016

Net sales amounted to SEK 136.0 million (134.0), an increase of SEK 2.0 million (1%). No material foreign exchange effects arose.

Net sales in Business Unit Paediatrics reached SEK 106.7 million (108.8), a decrease of SEK 2.1 million (2%).

Net sales in Business Unit Adult Health amounted to SEK 25.7 million (22.3), an increase of SEK 3.4 million (15%).

Operating profit excluding IBT was SEK 53.4 million (48.4), an increase of SEK 5.0 million (10%). Including IBT, operating profit was SEK 53.4 million (42.4).

Profit after tax excluding IBT was SEK 38.6 million (40.4), a decrease of SEK 1.8 million (4%). Including IBT, profit after tax was SEK 38.6 million (35.7), an increase of 8%.

Earnings per share excluding IBT totalled SEK 2.22 (2.33). Earnings per share including IBT totalled SEK 2.22 (2.06).

Key events in the second quarter of 2016

Agreement for the sale of BioGaia ProDentis in Hong Kong.

Yet another meta-analysis confirms the effectiveness of BioGaia ProTectis in infantile colic.

Publication of study showing that BioGaia ProTectis is effective in treating abdominal pain in children.

Key events after the end of the second quarter

Publication of study showing that BioGaia ProDentis reduces pregnancy gingivitis.

Teleconference: You are welcome to take part in a teleconference on the interim report that will be held today at 9:30 a.m. by Managing Director Axel Sjöblad. To participate in the teleconference call see www.biogaia.com/agenda for telephone numbers. The teleconference can also be followed at <http://financialhearings.nu/?160817/biogaia>.

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 agency of the contact person set out above, at 17 August 2016, 08.00 a.m. CET.

This is a translation of the Swedish version of the interim report. When in doubt, the Swedish wording shall prevail.

BioGaia AB (publ.)

Interim report 1 January – 30 June 2016

Figures in brackets refer to the same period of last year. The comparative figures in the balance sheet refer to 31 December 2015.

The Board of Directors and the Managing Director hereby present BioGaia AB's interim report for the period from 1 January to 30 June 2016. A description of the company's operations is provided on page 14.

MANAGING DIRECTOR'S COMMENTS

During the second quarter we have focused mainly on our expansion of the product portfolio among our existing partners, the rollout of ProDentis and Gastrus and the launch of Easy Dropper. In addition, we have continued working with our anticipated future growth markets and, as we have now renewed our distributor agreement in China, I will concentrate my efforts during the remainder of the year on USA, India and UK.

Internally, we are reviewing and setting priorities for all ongoing development projects and our goal is to accelerate the rate of product launches.

Our sales for the second quarter of 2016 reached SEK 136.0 million, which is an increase of 2.0 million compared to the same period of last year and up by SEK 2.1 million compared to the first quarter of 2016. Following the end of 2015 it was very satisfying to achieve yet another quarter well over SEK 130 million.

Second quarter revenue was driven by very strong sales in Europe, up by 32%, strong sales in Asia, with growth of 20%, and modest sales growth in the USA and Canada, where sales rose by 2% compared to the same period of last year. With regard to the USA and Canada, however, it's important to note that cumulative sales for January to June 2016 increased by 21% compared to the same period of 2015.

Business Unit Paediatrics posted total sales of SEK 106.7 million, down by 2% compared to the same period of last year, mainly owing to decreased sales of cultures for infant formula with a very low margin and lower sales of drops and digestive health tablets in Brazil. Two bright spots were the ongoing successful and very important launch of our new Easy Dropper, which will eventually replace the glass bottles for our drops, and higher sales of drops in all regions except Rest of the World, which includes Brazil. It was also gratifying to see that sales of digestive health tablets not only recovered but increased in all regions except Rest of the World compared to the second quarter of last year.

Sales in Business Unit Adult Health reached SEK 25.7 million, an increase of 15% compared to the same period of last year. The main explanations for this were the continued successful rollout of Gastrus and ProDentis and increased sales of ProTectis tablets.

Business Unit New Business reported total sales of SEK 3.6 million, an increase of 24% compared to the same period of last year. As earlier, the largest item here consists of royalty revenue from the collaboration agreement we signed with Nestlé in March 2014.

R&D expenses (excluding IBT) rose and I am pleased that we are increasing the clinical study momentum, which is vital for our future growth.

Second quarter sales meant that after six months we are essentially on the same level as in 2015. Despite low sales to Brazil during 2016 following the inventory build-up in 2015, our six-month sales figure reached nearly SEK 270 million, down by only 1% compared to the same period of last year, which is very positive.

For the rest of the year, our Brazilian partner Aché reports that sales to consumers are showing continued favourable development, which means that we expect new orders already at

the end of the third quarter. And from South Africa, orders have picked up again after the acquisition of our distributor, which means that two of the negative trends we have seen during the year are starting to reverse. In the second half of the year we will carefully follow developments in the Italian market where our distributor Italcimici has been taken over by another of our partners, Recordati, and this may cause a short-term dip in our sales.

I would also like to mention that we anticipate a continued trend of Nestlé buying fewer cultures for infant formula at the same time that sales of cultures for Growing Up Milk for children over one year are expected to rise. At present, the effect of this is a reduction of our sales and an improvement of our margins.

Lastly, I wish to highlight another two clinical studies with positive results for BioGaia. One deals with treatment of abdominal pain in children and the other with reduction of gingivitis in pregnant women – a new target group for us. Once again, BioGaia, our partners and our customers have been given strong and clinically proven arguments for using our products.

FINANCIAL PERFORMANCE IN THE FIRST HALF OF 2016

Net sales, first half 2016

Consolidated net sales amounted to SEK 269.9 million (272.9), a decrease of SEK 3.0 million (1%) compared to the same period of last year.

Most of the company's sales are denominated in foreign currency, primarily EUR but also USD, CHF and JPY. With unchanged exchange rates compared to the same period of last year, net sales would have been SEK 0.3 million higher. Changes in foreign exchange rates affect both income and expenses. With unchanged exchange rates, operating profit for the first half of the year would have been SEK 0.7 million higher. Expenses arise mainly in SEK but also in JPY, EUR and USD.

For the past 12-month period, net sales were up by 1% (excluding foreign exchange effects, -1%).

Sales by segment, first half 2016

BUSINESS UNIT PAEDIATRICS

Net sales in BioGaia's core area Paediatrics amounted to SEK 214.8 million (224.1), a decrease of SEK 9.3 million (4%) (excluding foreign exchange effects, 4%). This is mainly explained by lower sales of digestive health tablets and cultures for infant formula.

Sales of drops declined somewhat compared to the same period of last year. Sales increased in Europe, the USA and Canada and Asia, but decreased in Rest of the World (mainly in Brazil).

Sales of digestive health tablets in Business Unit Paediatrics were down compared to the same period of last year. Tablet sales rose in Asia and the USA and Canada but fell slightly in Europe and sharply in Rest of the World (mainly in Brazil).

Sales of cultures for infant formula were lower than in the same period of last year.

Royalty revenue from Nestlé for the use of *Lactobacillus reuteri* Protectis in Growing Up Milk for children older than one year increased compared to the same period of last year.

For the past 12-month period, sales in Business Unit Paediatrics fell by close to 1% (excluding foreign exchange effects, -3%).

BUSINESS UNIT ADULT HEALTH

Net sales in Business Unit Adult Health amounted to SEK 46.8 million (42.1), an increase of SEK 4.7 million (11%) (excluding foreign exchange effects, 10%) compared to the same period of last year. The increase was driven by higher sales of Gastrus, ProTectis digestive health tablets and ProDentis.

Gastrus was recently launched in Europe (Italy and Spain) and in the USA. As earlier, Gastrus is also sold in Asia (Japan and South Korea).

Sales of oral health products were up in all markets except Asia.

Sales of digestive health tablets in Business Unit Adult Health grew in Europe and Rest of the World compared to the same period of last year.

For the past 12-month period, sales in Business Unit Adult Health increased by 5% (excluding foreign exchange effects, sales decreased by 3%).

OTHER SALES

Other sales amounted to SEK 8.1 million (5.9), an increase of SEK 2.2 million. Business Unit New Business is included in Other sales in the segment reporting.

Business Unit New Business includes royalty revenue of SEK 7.0 million (5.1) from the collaboration agreement that was signed with Nestlé in March 2014. The royalty revenue amounts to a total of 92.0 million for the period 2014-2017 and is distributed between Paediatrics and New Business. Under the agreement, BioGaia has undertaken to carry out clinical studies on children and develop new products in new areas. BioGaia will recognize the royalty revenue in pace with completion of the projects. At 30 June 2016, BioGaia had recognized revenue of SEK 52.3 million of a total of SEK 92 million, of which SEK 31.6 million in Business Unit New Business and SEK 20.7 million in Business Unit Paediatrics.

SALES BY GEOGRAPHICAL MARKET IN THE FIRST HALF OF 2016

Sales in Europe were up by SEK 22.8 million (14%) to SEK 182.9 million. For the past 12-month period, sales increased by 8%.

Sales in the USA and Canada rose by SEK 4.1 million (21%) to SEK 23.7 million. For the past 12-month period, sales fell by 7%.

Sales in Asia grew by SEK 2.6 million (10%) to SEK 29.5 million. For the past 12-month period, sales increased by 25%.

Sales in Rest of the World were down by SEK 32.4 million (49%) till 33,9 million. For the past 12-month period, sales decreased by 24%.

THE BIOGAIA BRAND

Of total finished consumer products, (drops, digestive health tablets, oral health lozenges, oral rehydration solution, etc.), 57% (61%) were sold under the BioGaia brand, including co-branding, during the first half of the year. The decrease is mainly due to lower sales in Brazil.

Gross profit, January-June

Gross profit amounted to SEK 192.5 million (191.4), which is an increase of SEK 1.1 million (1%) compared to the same period of last year. The total gross margin rose from 70% to 71%.

Gross margin for Business Unit Paediatrics strengthened from 69% to 72%. This is due to increased royalty revenue for the use of cultures in Growing Up Milk for children over the age of one year (with a 100% margin) and decreasing sales of cultures for infant formula with a very low margin.

Gross margin for Business Unit Adult Health fell from 72% to 64%. This is partly because Gastrus has a lower margin during the launch period, and partly because the margin on both digestive and oral health tablets has decreased slightly as a result of higher costs for bacteria cultures.

Operating expenses, January-June

Total operating expenses excluding discontinued operations (IBT) rose by 2% to SEK 89.6 million compared to the same period of last year. For the past 12-month period, total operating expenses decreased by 1%.

Selling expenses increased compared to the same period of last year by SEK 0.7 million (1%) and amounted to SEK 49.6 million (48.9), which is equal to 18% (18%) of net sales. For the past 12-month period, selling expenses were down by 2%.

Administrative expenses amounted to SEK 10.7 million (9.6), which is equal to 4% (4%) of net sales. The increase of SEK 1.1 million (12%) is explained by higher personnel costs. For the past 12-month period, the Group's administrative expenses increased by 6%.

R&D expenses excluding IBT are reported at SEK 29.3 million (29.3), which is equal to 11% (11%) of net sales. For the past 12-month period, R&D expenses decreased by 4%.

Other operating income/expenses refer to foreign exchange gains/losses on operating receivables and liabilities. These amounted to SEK 2.3 million (1.0).

Operating profit, January-June

Operating profit excluding IBT was SEK 104.7 million (104.6), an increase of SEK 0.1 million (0%) and operating margin excluding IBT was 39% (35%).

Share in profit of associates

Share in profit of associates refers to BioGaia's share of profit in MetaboGen AB.

Financial items and profit before tax, January-June

Profit before tax was SEK 102.8 million (109.0), a decrease of SEK 6.2 million (6%) compared to the same period of last year. Net financial items include a foreign exchange loss of SEK 3.1 million on forward exchange contracts in EUR and USD. The figures for the previous year included a corresponding foreign exchange gain of SEK 4.2 million.

At 30 June 2016 the company had outstanding forward exchange contracts for EUR 10.0 million at an average exchange rate of SEK 9.34 and USD 1.8 million at an average exchange rate of SEK 8.42. The actual exchange gain/loss depends on the exchange rate on the maturity date of the contracts.

Profit after tax, January-June

Profit after tax excluding IBT was SEK 77.3 million (86.5), a decrease of SEK 9.2 million (11%).

The tax rate for the Group was 25% (21%). The Group pays tax on profits in the Swedish companies. The loss in Japan is not deductible against the Swedish profits. Tax loss carryforwards in the Japanese subsidiary amounted to approximately SEK 32 million at 30 June 2016. The deferred tax asset for these has not been recognized, since a sustainable profit level has not yet been shown in the Japanese subsidiary. That explains the higher tax rate in the group.

Earnings per share, January-June

Earnings per share excluding IBT were SEK 4.46 (5.00).
Earnings per share including IBT were SEK 8.39 (4.57).
No dilutive effects arose during the period.

Cash flow, January-June

Cash flow for the period amounted to SEK -79.8 million (-8.8). BioGaia's former subsidiary IBT was distributed to BioGaia's shareholders on 29 March 2016. At that time, IBT's cash and cash equivalents amounted to SEK 37.6 million, compared to SEK 44.4 million at year-end 2015.

Excluding IBT, cash flow for the period amounted to SEK -35.6 million. Cash flow includes dividends of SEK 86.7 million (86.3). In addition, working capital increased by SEK 30.9 million during the period, compared to a decrease of SEK 4.7 million in the same period of last year. It is mainly trade receivables that have increased since year-end as a result of high invoicing in June.

The Group's cash and cash equivalents at 30 June 2016 amounted to SEK 148.2 million (226.9).

Equity

Consolidated equity at 30 June 2016 amounted to SEK 333.6 million (395.8). The Group's equity/assets ratio was 81% (84%).

Investments in property, plant and equipment, January-June

Investments in property, plant and equipment amounted to SEK 2.7 million (9.4) million, of which SEK 2.5 million (9.3) refers to the subsidiary TwoPac.

Investments in capitalized development expenditure amounted to SEK 0.0 million (7.7). Investments during 2015 referred to development of a product for the NEC project in the former subsidiary IBT, which was distributed to the shareholders in March 2016.

Subsidiary in Japan, January-June

Net sales in the wholly owned subsidiary in Japan reached SEK 10.3 million (12.5). Operating profit/loss in the Japanese subsidiary was SEK -0.5 million (0.8).

Subsidiary TwoPac AB, January-June

TwoPac AB is a wholly owned subsidiary of BioGaia that manufactures and develops products, such as drops, exclusively for BioGaia.

Net sales in TwoPac amounted to SEK 35.1 million (28.8). Operating profit was SEK 9.0 million (6.0). Profit after tax was SEK 6.7 million (4.3).

Subsidiary CapAble AB, January-June

CapAble, which is owned 90.1% by BioGaia AB and 9.9% by the company's President, was started in November 2008 to manufacture and sell the patented LifeTop Cap. Net sales in CapAble totalled SEK 0.0 million (0.5) during the period. Operating profit/loss was SEK -1.8 million (-1.3).

Parent Company, January-June

Net sales in the Parent Company amounted to SEK 262.7 million (263.4) and profit before tax was SEK 97.1 million (100.1). The Parent Company's profit includes the write-down of a loan to the subsidiary in Japan by SEK 11.8 million. No new loans have been paid, and the write-down refers to currency adjustment of the existing loan. Cash flow in the Parent Company totalled SEK -42.6 million (-19.0).

FINANCIAL PERFORMANCE IN THE SECOND QUARTER OF 2016

Net sales, second quarter 2016

Consolidated net sales amounted to SEK 136.0 million (134.0), decrease of SEK 2.0 million (1%) compared to the same period of last year. Excluding foreign exchange effects, net sales were up by 2%.

Compared to the previous quarter, net sales increased by SEK 2.1 million.

Sales by segment, second quarter 2016

BUSINESS UNIT PAEDIATRICS, SECOND QUARTER

Net sales in BioGaia's core area Paediatrics amounted to SEK 106.7 million (108.8), a decrease of SEK 2.1 million (2%) (excluding foreign exchange effects, 1%). This is mainly due to lower sales of culture for infant formula and lower sales of drops and digestive health tablets to Brazil.

Sales of drops fell slightly compared to the same period of last year. Drop sales increased in all markets except in the region Rest of the World, where they decreased mainly in Brazil.

Sales of digestive health tablets in Business Unit Paediatrics were down slightly compared to the same period of last year. Tablet sales rose in all markets except in the region Rest of the World.

Sales of cultures for infant formula declined compared to the same period of last year.

Royalty revenue from Nestlé for the use of *Lactobacillus reuteri* ProTectis in Growing Up Milk for children over the age of one year increased compared to the same period of last year.

Compared to the previous quarter, sales in Business Unit Paediatrics were down by SEK 1.4 million.

BUSINESS UNIT ADULT HEALTH, SECOND QUARTER

Net sales in Business Unit Adult Health amounted to SEK 25.7 million (22.3), an increase of SEK 3.4 million (15%) (excluding foreign exchange effects, 14%) compared to the same period of last year. The increase is mainly attributable to higher sales of Gastrus and ProTectis digestive health tablets.

Sales of digestive health tablets in Business Unit Adult Health rose in Rest of the World (South Africa) and Europe, but fell in Asia compared to the same period of last year.

Gastrus was recently launched in Europe (Italy and Spain) and in the USA. As earlier, it is also sold in Asia (Japan and South Korea).

Sales of oral health lozenges increased in Rest of the World and Europe, were unchanged in the USA and Canada and decreased in Asia.

Compared to the previous quarter, sales in Business Unit were up by SEK 4.6 million.

BUSINESS UNIT NEW BUSINESS, SECOND QUARTER

Net sales in Business Unit New Business amounted to SEK 3.6 million (2.9), an increase of SEK 0.7 million. Business Unit New Business is included in "Other" in the segment reporting.

Business Unit New Business includes royalty revenue of SEK 3.5 million (2.3) from the collaboration agreement that was signed with Nestlé in March 2014. For more information see above under sales in January-June 2016.

SALES BY GEOGRAPHICAL MARKET, SECOND QUARTER

Sales in Europe increased by SEK 21.5 million (32%) to SEK 89.6 million.

Sales in the USA and Canada were up by SEK 0.3 million (2%) to SEK 13.8 million.

Sales in Asia increased by SEK 2.7 million (20%) to SEK 15.9 million.

Sales in Rest of the World decreased by SEK 22.5 million (57%) to SEK 16.7 million.

Gross profit, second quarter

Gross profit was SEK 97.7 million (93.6), an increase of SEK 4.1 million (4%) compared to the same period of last year. The total gross margin rose from 70% to 72%.

For Business Unit Paediatrics, gross margin strengthened from 68% to 73%. This is attributable to higher royalty revenue for the use of bacteria cultures in Growing Up Milk for children over the age of one year (with a margin of 100%) and lower sales of bacteria cultures for infant formula where the gross margin is very small.

For Business Unit Adult Health, gross margin decreased from 73% to 63%. This is partly because Gastrus has a lower margin during the launch period and partly because the margin on digestive and oral health tablets has fallen slightly due to higher costs for bacteria cultures.

Operating expenses, second quarter

Total operating expenses (excluding IBT) increased by 10% to SEK 47.3 million compared to the same period of last year.

Selling expenses amounted to SEK 26.5 million (24.1), an increase of SEK 2.4 million (10%) that was mainly attributable to higher personnel costs.

Administrative expenses amounted to SEK 5.1 million (4.7), an increase of SEK 0.4 million (9%) that was mainly attributable to higher personnel costs.

R&D expenses (excluding IBT) amounted to SEK 15.7 million (14.0), an increase of SEK 1.7 million (12%) that was mainly attributable to higher costs for clinical studies.

Other operating income/expenses refer to foreign exchange gains/losses on operating receivables and liabilities. These amounted to SEK 3.2 million during the quarter, compared to SEK -2.3 million in the same period of last year.

Operating profit, second quarter

Operating profit (excluding IBT) was SEK 53.4 million (48.4), an increase of SEK 5.0 million (10%), and operating margin was 39% (36%). Excluding the subsidiary IBT, operating profit was SEK 53.4 million (42.4).

Financial items and profit before tax, second quarter

Profit before tax (excluding IBT) was SEK 52.1 million (49.4), up by SEK 2.7 million (5%) compared to the same period of last year.

Profit after tax, second quarter

Profit after (excluding IBT) was SEK 38.6 million (40.4), a decrease of SEK 1.8 million (4%).

KEY EVENTS IN THE SECOND QUARTER

Launches in the second quarter

Distributor/licensee	Country	Product
Axero	Sri Lanka	Drops and digestive health tablets
Nestlé	Mexico	Growing up Milk with <i>Lactobacillus reuteri</i> ProTectis

Agreement for the sale of BioGaia ProDentis in Hong Kong

At the end of April BioGaia signed an exclusive agreement with BioWellTech Co Ltd for the rights to sell BioGaia ProDentis in Hong Kong. The launch is planned to take place in the third quarter of 2016.

BioGaia's underwriting guarantee for IBT's rights issue was not utilized

On 27 April, the prospectus for BioGaia's former subsidiary IBT was published ahead of the upcoming rights issue. To guarantee the issue, BioGaia underwrote the issue up to an amount of SEK 38 million. The issue was fully subscribed without utilization of BioGaia's guarantee.

Yet another meta-analysis confirms the effectiveness of BioGaia ProTectis in infantile colic

Yet another systematic review was presented at the beginning of May and further strengthened the proof of ProTectis's effectiveness on infantile colic. This new, eighth review included four studies on *L. reuteri* ProTectis. The analysis combined raw data from these studies (Individual Participant Data Meta-Analysis, IPDMA), a method that yields more reliable estimates of treatment effect compared to traditional meta-analyses based on published data only. The analysis was undertaken according to the methods recommended by Cochrane.

The systematic review and meta-analysis was presented at the PAS (Pediatric Academic Societies Meeting) meeting in Baltimore, USA, on 1 May 2016.

Publication of study showing the effectiveness of BioGaia ProTectis in treatment of abdominal pain in children

A randomized, double-blind, placebo-controlled study on 93 children diagnosed with functional abdominal pain showed that *L. reuteri* ProTectis reduced both the frequency and severity of pain compared to placebo. After four weeks of treatment, the number of pain episodes was almost halved among the children supplemented with one chewable tablet per day of *L. reuteri* ProTectis compared to the placebo group. The severity of pain was also significantly reduced in the probiotic group compared to placebo and this effect persisted throughout the follow-up period. The study was published online in the [Journal of Pediatrics](#) on 4 May 2016.

KEY EVENTS AFTER THE END OF THE QUARTER

Publication of study showing that BioGaia ProDentis reduces pregnancy gingivitis

A double-blind, randomized, placebo-controlled study on 45 women with pregnancy gingivitis showed that supplementation of *L. reuteri* ProDentis significantly reduced inflammation and plaque compared to placebo. The women with pregnancy gingivitis were enrolled in the study at the beginning of their third trimester. Participants were randomly provided with a supply of lozenges to be consumed twice daily until birth (approximately three months), containing either ProDentis or placebo. At the end of the treatment period, both the gingival index and plaque index of the probiotics group were significantly lower than in the placebo group.

The study was published in [Journal of Clinical Periodontology](#) on 27 July 2016.

EMPLOYEES

The number of employees in the Group at 30 June 2016 was 103 (104). The figure for the previous year includes 4 employees in IBT.

SIGNIFICANT RISKS AND UNCERTAINTIES: GROUP AND PARENT COMPANY

Significant risks and uncertainties are described in the administration report of the annual report for 2015, on pages 6 and 7 and in Notes 29 and 30. No significant changes in these risks and uncertainties are assessed to have taken place at 30 June 2016 aside from the fact that the subsidiary IBT, which is developing a drug for premature newborns, is no longer part of the Group following distribution of the shares in the company to BioGaia's shareholders at the end of March.

ACCOUNTING POLICIES

This interim report has been prepared for the Group in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

The consolidated financial statements are presented in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations published by the IFRS Interpretations Committee (IFRIC) that have been endorsed by the European Commission for application in the EU. Unless otherwise stated below, the accounting standards applied for the Group and the Parent Company are consistent with those used in preparation of the most recent annual report.

The Parent Company presents its financial statements in accordance with RFR 2, Accounting for Legal Entities, and the Annual Accounts Act, and applies the same accounting and valuation policies as in the most recent annual report.

Starting with this interim report, BioGaia applies the ESMA guidelines on Alternative Performance measures. The company applies IFRIC 17, which means that the distribution of the subsidiary IBT is carried at fair value on the assets which have been distributed. The difference between the carrying amount of the net assets distributed and the carrying amount of the unpaid

distribution at settlement is recognized in the income statement. The profit in the income statement reflects the difference between the fair value (based on the average price on the share the first day of trading 29 March 2016) and the company's recorded value in the balance sheet of the group 18 March 2016.

New accounting standards

The applied accounting policies correspond to those presented in the annual report for 2015. A number of new standards and interpretations have been published but are not yet effective.

FUTURE OUTLOOK

BioGaia's goal is to create strong value growth and a good return for the shareholders. This will be achieved through a greater emphasis on the BioGaia brand, increased sales to both existing and new customers and a controlled cost level.

The financial target is a sustainable operating margin (operating profit in relation to sales) of at least 30% with continued strong growth and increased investments in research, product development and brand building.

BioGaia's dividend policy is to pay a shareholder dividend equal to 40% of profit after tax.

In view of the Company's strong portfolio consisting of an increased number of innovative products that are sold under the BioGaia brand to a growing extent, successful clinical trials and an expanding distribution network that covers a large share of the key markets, BioGaia's future outlook is bright.

Statements of comprehensive income – Group

Continuing operations

(Amounts in SEK 000s)	Jan-June 2016	Jan-June 2015	April-June 2016	April- June 2015	Jan-Dec 2015	July 2015- June 2016	Jul 2014- Jun 2015
Net sales	269,897	272,866	136,044	134,020	483,241	480,272	473,674
Cost of goods sold	-77,422	-81,475	-38,343	-40,465	-146,657	-142,604	-154,010
<i>Gross profit</i>	192,475	191,391	97,701	93,555	336,584	337,668	319,664
Selling expenses	-49,561	-48,879	-26,450	-24,114	-93,735	-94,417	-95,886
Administrative expenses	-10,727	-9,596	-5,138	-4,671	-18,475	-19,606	-18,453
Research and development expenses	-29,287	-29,332	-15,666	-14,041	-53,283	-53,238	-55,320
Shares in profit of associates	-523	-	-290	-	-65	-588	-
Other operating income/expenses	2,325	1,061	3,248	-2,340	1,773	3,037	6,454
<i>Operating profit</i>	104,702	104,645	53,405	48,389	172,799	172,856	156,459
Interest income	1,323	268	1,313	125	331	1,386	1,009
Foreign exchange gain/loss, forward contracts	-3,082	4,217	-2,541	1,033	5,106	-2,193	829
Financial expenses	-120	-163	-85	-134	-259	-216	-236
<i>Profit before tax</i>	102,823	108,967	52,092	49,413	177,977	171,833	158,061
Tax	-25,511	-22,495	-13,525	-9,049	-40,594	-43,610	-35,266
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	77,312	86,472	38,567	40,364	137,383	128,223	122,795
<u>Discontinued operations (distribution of IBT)</u>							
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	67,935	-7,550	-	-4,672	-16,092		
PROFIT FOR THE PERIOD	145,247	78,922	38,567	35,692	121,291		
<u>Items that will be reclassified to profit or loss</u>							
Gains/losses arising on translation of the financial statements of foreign operations	1,328	117	1,669	-565	462		
Comprehensive income for the period	146,575	79,039	40,236	35,127	121,753		
<u>Profit for the period from continuing operations attributable to:</u>							
Owners of the Parent Company	77,312	86,473	38,567	40,365	137,497		
Non-controlling interests	0	-1	0	-1	-114		
	77,312	86,472	38,567	40,364	137,383		
<u>Profit for the period attributable to:</u>							
Owners of the Parent Company	145,531	78,923	38,567	35,693	121,408		
Non-controlling interests	-284	-1	0	-1	-117		
	145,247	78,922	38,567	35,692	121,291		
<u>Comprehensive income for the period attributable to:</u>							
Owners of the Parent Company	146,859	79,040	40,236	35,128	121,870		
Non-controlling interests	-284	-1	0	-1	-117		
	146,575	79,039	40,236	35,127	121,753		
<u>Earnings per share</u>							
Earnings per share from continuing operations (average number of shares), SEK	4.46	5.00	2.22	2.33	7.94		
Earnings per share including discontinued operations (average number of shares), SEK	8.39	4.57	2.22	2.06	7.01		
Number of shares, thousands	17,336	17,336	17,336	17,336	17,336		
Average number of shares, thousands	17,336	17,282	17,336	17,293	17,309		

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	30 June	31 Dec	30 June
(Amounts in SEK 000s)	2016	2015	2015
ASSETS			
Intangible assets	-	16,225	13,775
Property, plant and equipment	83,230	83,934	79,431
Shares in associates	7,412	7,936	4,000
Other non-current receivables	22	22	22
<i>Total non-current assets</i>	90,664	108,117	97,228
Current assets excl. cash and cash equivalents	173,350	138,179	142,103
Cash and cash equivalents	148,205	226,882	202,752
<i>Total current assets</i>	321,555	365,061	344,855
TOTAL ASSETS	412,219	473,178	442,083
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent Company	333,600	395,851	353,021
Non-controlling interests	-18	-18	98
Total equity	333,582	395,833	353,119
Provision for deferred tax	351	351	192
Other provisions	-	-	3,900
Interest-free current liabilities	78,286	76,994	84,872
TOTAL EQUITY AND LIABILITIES	412,219	473,178	442,083
Pledged assets	2,253	2,690	12,845

1 Other current liabilities includes forward exchange contracts at fair value of SEK -0.8 million. All forward exchange contracts are attributable to Level 2 of the fair value hierarchy.

CONSOLIDATED CASH FLOW STATEMENTS	Jan-June	Jan-June	April-June	April-June	Jan-Dec
(Amounts in SEK 000s)	2016	2015	2016	2015	2015
Operating activities					
Operating profit	99,540	94,972	53,405	42,402	152,184
Depreciation/amortization	3,377	2,690	1,687	1,423	6,548
Other non-cash items	-718	-784	-1,397	468	-813
	102,199	96,878	53,695	44,293	157,919
Gains/losses on realized forward exchange contracts	-587	964	-297	527	2,203
Paid tax	-24,709	-23,858	-12,386	-9,394	-50,124
Interest received and paid	1,200	97	1,226	-13	63
Cash flow from operating activities before changes in working capital	78,103	74,081	42,238	35,413	110,061
Changes in working capital	-30,889	4,678	-29,381	-29	7,440
Cash flow from operating activities	47,214	78,759	12,857	35,384	117,501
Acquisition of intangible assets	-	-7,700	-	-5,370	-10,150
Acquisition of property, plant and equipment	-2,674	-9,357	-1,179	-6,092	-17,780
Acquisition of financial assets	-	-	-	-	-4,000
Cash flow from investing activities	-2,674	-17,057	-1,179	-11,462	-31,930
Dividends	-86,682	-86,355	-86,682	-86,355	-86,355
Distribution of shares in IBT	-37,629	-	-	-	-
New share issue, warrant programme	-	15,844	-	15,844	15,844
Cash flow from financing activities	-124,311	-70,511	-86,682	-70,511	-70,511
Cash flow for the period	-79,771	-8,809	-75,004	-46,589	15,060
Cash and cash equivalents at beginning of period	226,882	210,666	221,494	249,953	210,666
Exchange difference in cash and cash equivalents	1,094	895	1,715	-612	1,156
Cash and cash equivalents at end of period	148,205	202,752	148,205	202,752	226,882

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in SEK 000s)

	Jan-June 2016	Jan-June 2015	Jan-Dec 2015
At beginning of period	395,833	344,591	344,591
Dividends	-86,682	-86,355	-86,355
Distribution of shares in IBT *)	-122,144	-	-
New share issue, warrant programme	-	15,844	15,844
Comprehensive income for the period	146,575	79,039	121,753
At end of period	333,582	353,119	395,833

*) The amount of the distribution has been adjusted to reflect the average price of the share the first day of trading 29 March 2016. Corresponding adjustment has been made in the report of comprehensive income at "Profit for the period from discontinued operations".

REPORTING BY SEGMENT – GROUP (Amounts in SEK 000s)

	Jan-June 2016	Jan-June 2015	April-June 2016	April-June 2015	Jan-Dec 2015	July 2015- June 2016	Jul 2014- Jun 2015
Income by segment – business unit							
Paediatrics	214,785	224,057	106,729	108,807	389,561	380,289	382,202
Adult Health	46,827	42,057	25,731	22,294	74,667	79,437	75,283
Other	8,285	6,752	3,584	2,919	19,013	20,546	16,189
Total	269,897	272,866	136,044	134,020	483,241	480,272	473,674

	Jan-June 2016	Jan-June 2015	April-June 2016	April-June 2015	Jan-Dec 2015	July 2015- June 2016	Jul 2014- Jun 2015
Gross profit by segment – business unit							
Paediatrics	154,708	154,452	77,955	74,423	266,391	266,647	251,371
Adult Health	29,758	30,413	16,162	16,285	51,907	51,252	52,680
Other	8,009	6,526	3,584	2,847	18,286	19,769	15,613
Total	192,475	191,391	97,701	93,555	336,584	337,668	319,664

	Jan-June 2016	Jan-June 2015	April-June 2016	April-June 2015	Jan-Dec 2015	July 2015- June 2016	Jul 2014- Jun 2015
Revenue by geographical market							
Europe	182,874	160,093	89,580	68,093	284,729	307,510	284,014
USA and Canada	23,676	19,607	13,807	13,487	35,231	39,300	42,274
Asia	29,453	26,870	15,917	13,247	52,130	54,713	43,652
Rest of world	33,894	66,296	16,740	39,193	111,151	78,749	103,734
Total	269,897	272,866	136,044	134,020	483,241	480,272	473,674

Profit from discontinued operations	Jan-June	Jan-June	April-June	April-June	Jan-Dec
(Amounts in SEK)	2016	2015	2016	2015	2015
Net sales	-	-	-	-	-
Selling expenses	-	-	-	-	-2 600
Research and development expenses	-5 101	-9 612	-	-6 031	-17 974
Other operating income/expenses	-61	-61	-	44	-41
<i>Operating profit/loss</i>	-5 162	-9 673	-	-5 987	-20 615
Financial expenses	-2	-8	-	-3	-9
Difference between fair value of IBT shares and reported value	73 099	-	-	-	-
<i>Profit /loss before tax</i>	67 935	-9 681	-	-5 990	-20 624
Tax relief due to group contributions	-	2 131	-	1 318	4 532
<i>Profit /loss after tax</i>	67 935	-7 550	-	-4 672	-16 092

Cash flow from discontinued operations:	Jan-June	Jan-June	Jan-Dec
(Amounts in SEK 000s)	2016	2015	2015
Operating activities	-6,781	-7,798	-30,895
Investing activities	-	-7,700	-10,150
<i>Total cash flow</i>	-6,781	-15,498	-41,045

RELATED PARTY TRANSACTIONS

The Parent Company holds 100% of the shares in BioGaia Biologics Inc. USA, BioGaia Japan Inc, TwoPac AB and Tripac AB. The Parent Company holds 90.1 % of the shares in CapAble AB.

On 29 March 2016, the shares in IBT were distributed to BioGaia's shareholders (see above).

Annwall & Rothschild Investment AB holds 740,668 class A shares and 759,332 class B shares, which is equal to 8.7% of the share capital and 34.1% of the votes in BioGaia AB. Annwall & Rothschild Investment AB is owned by Peter Rothschild, Group President of BioGaia, and Jan Annwall, a member of the Board of BioGaia AB. The only transaction that took place during the period was the payment of a dividend of SEK 5 per share.

CONSOLIDATED KEY RATIOS	Jan- June	Jan- June	Jan-Dec
	2016	2015	2015
Net sales, SEK 000s ¹⁾	269,897	272,866	483,241
Operating profit, SEK 000s ¹⁾	104,702	104,645	172,799
Profit after tax, SEK 000s ¹⁾	77,312	86,472	137,383
Return on			
- average equity	40%	23%	32%
- average capital employed	29%	31%	48%
Capital employed, SEK 000s	333,933	353,311	396,184
Number of shares, thousands ²⁾	17,336	17,336	17,336
Average number of shares, thousands	17,336	17,282	17,309
Earnings per share in continuing operations, SEK ¹⁾	4.46	5.00	7.94
Earnings per share, SEK ³⁾	8.39	4.57	7.01
Basic equity per share, SEK	19.24	20.43	22.87
Diluted equity per share, SEK	19.24	20.43	22.87
Equity/assets ratio	81%	80%	84%
Operating margin ¹⁾	39%	35%	36%
Profit margin ¹⁾	38%	36%	37%
Average number of employees ¹⁾	102	96	98

- 1) Excluding discontinued operations (distribution of IBT)
- 2) No dilutive effect during the period
- 3) The key ratios are defined according to IFRS

Definition of key ratios

The company presents certain financial ratios in the interim report that are not defined according to IFRS. The company is of the opinion that these performance measures provide valuable supplementary information to investors and the company's management since they enable evaluation and benchmarking of the company's performance. Since not all companies calculate financial ratios in the same manner, these are not always comparable to the performance measures used by other companies. Consequently, these financial ratios should not be seen as a replacement for performance measures that are defined according to IFRS. The following key ratios are not defined according to IFRS unless otherwise stated.

Average number of shares: Weighted average number of shares during a certain period

Capital employed: Total assets less interest-free liabilities.

Earnings per share: Profit attributable to owners of the Parent Company divided by the average number of shares (definition according to IFRS).

Earnings per share in continuing operations: Profit from continuing operations attributable to owners of the Parent Company divided by the average number of shares.

Equity/assets ratio: Shareholders' equity divided by total assets.

Equity per share: Shareholders' equity attributable to the owners of the Parent Company divided by the number of shares.

Growth: Sales for the current year less sales for the previous year divided by sales for the previous year.

Net financial items: The result from financial income and financial expenses

Operating margin: Operating profit in relation to net sales.

Operating profit: Sales less cost of goods sold, selling expenses, administrative expenses, R&D expenses and other operating expenses plus other operating income.

Profit margin: Profit before tax in relation to net sales.

Return on capital employed: Profit before financial items plus financial income divided by average capital employed.

Return on equity: Profit attributable to the owners of the Parent Company divided by average shareholders' equity attributable to the owners of the Parent Company.

Reconciliation IFRS

	Jan-June	Jan-June	Jan-Dec
	2016	2015	2015
Return on average capital employed			
Operating profit	104,702	104,645	172,799
Financial income	1,323	4,485	5,437
Profit before financial items plus financial income	106,025	109,130	178,236
Total assets	412,219	442,083	473,178
Interest-free liabilities	-78,286	-88,772	-76,994
Capital employed	333,933	353,311	396,184
Average capital employed	365,059	350,997	370,500
Return on average capital employed	29%	31%	48%

Since the company's sales are denominated in other currencies than in the reporting currency SEK the management analyses the change in sales excluding currency

	Paediatrics		Adult Health		Other		Total	
	Jan-June	April-June	Jan-June	April-June	Jan-June	April-June	Jan-June	April-June
	2016	%	2016	%	2016	%	2016	%
Change in sales per segment								
Organic change	-8,502	-4%	-1,302	-1%	4,254	10%	3,085	14%
Currency effects	-770	0%	-776	-1%	516	1%	352	2%
Reported change	-9,272	-4%	-2,078	-2%	4,770	11%	3,437	15%

<u>PARENT COMPANY INCOME STATEMENTS</u>	Jan-June	Jan-June	Jan-Dec
(Amounts in SEK 000s)	2016	2015	2015
Net sales	262,715	263,353	470,612
Cost of goods sold	-86,424	-89,076	-157,364
<i>Gross profit</i>	176,291	174,277	313,248
Selling expenses	-40,931	-40,604	-78,480
Administrative expenses	-9,813	-8,547	-16,360
Research and development expenses	-29,303	-28,919	-54,072
Other operating income	2,320	1,031	1,789
<i>Operating profit</i>	98,564	97,238	166,125
Impairment loss on receivable from subsidiary	-11,827	-4,033	-8,233
Anticipated dividends from subsidiaries	-	-	20,600
Impairment loss on shares in subsidiary	-	-	-22,974
Net financial items	10,324	6,920	10,109
Profit before tax	97,061	100,125	165,627
Tax expense	-23,687	-19,185	-34,847
PROFIT FOR THE PERIOD	73,374	80,940	130,780

<u>PARENT COMPANY BALANCE SHEETS</u>	30 June	31 Dec	30 June
	2016	2015	2015
<u>ASSETS</u>			
Intangible assets	-	-	-
Property, plant and equipment	629	860	1,082
Shares in group companies	51,132	132,938	78,129
Shares in associates	8,000	8,000	4,000
Non-current receivables from subsidiaries	55,835	55,835	50,835
<i>Total non-current assets</i>	115,596	197,633	134,046
Current assets excl. cash and cash equivalents	156,236	119,300	126,666
Cash and cash equivalents	131,279	173,077	183,784
<i>Total current assets</i>	287,515	292,377	310,450
TOTAL ASSETS	403,111	490,010	444,496
<u>EQUITY AND LIABILITIES</u>			
Equity	315,455	410,569	360,729
Provisions	-	-	3,900
Interest-free current liabilities	87,656	79,441	79,867
TOTAL EQUITY AND LIABILITIES	403,111	490,010	444,496
Pledged assets	2,000	2,000	2,000

PARENT COMPANY CASH FLOW STATEMENTS

	Jan-June 2016	Jan-June 2015	Jan-Dec 2015
<u>Operating activities</u>			
Operating profit	98,564	97,238	166,125
Depreciation/amortization	232	301	560
Other non-cash items	-775	-779	-947
Gain/losses on realized foreign exchange contracts	-587	964	2,203
Paid tax	-23,249	-22,421	-47,296
Interest received and paid	1,579	484	821
Cash flow from operating activities before changes in working capital	75,764	75,787	121,466
Changes in working capital	-31,655	-3,599	5,920
Cash flow from operating activities	44,109	72,188	127,386
Acquisition of property, plant and equipment	-	-24	-60
Acquisition of financial assets	-	-9,000	-67,800
Payment of loan to subsidiary	-	-11,635	-18,873
Cash flow from investing activities	-	-20,659	-86,733
Dividends	-86,682	-86,355	-86,355
New share issue, warrant programme	-	15,844	15,844
Cash flow from financing activities	-86,682	-70,511	-70,511
Cash flow for the period	-42,573	-18,982	-29,858
Cash and cash equivalents at beginning of period	173,077	201,988	201,988
Exchange difference in cash and cash equivalents	775	778	947
Cash and cash equivalents at end of period	131,279	183,784	173,077

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

(Amounts in SEK 000s)

	Jan-June 2016	Jan-June 2015	Jan-Dec 2015
At beginning of year	410,569	350,300	350,300
Distribution of shares in IBT	-81,806		
Dividends	-86,682	-86,355	-86,355
New share issue, warrant programme	-	15,844	15,844
Profit for the period	73,374	80,940	130,780
At end of period	315,455	360,729	410,569

FINANCIAL CALENDAR

17 August 2016	9:30 a.m. Teleconference on the interim report for 1 January – 30 June 2016 with Axel Sjöblad, Managing Director of BioGaia AB. To participate in the conference, see www.biogaia.se/agenda
25 October 2016	Interim management statement 1 January – 30 September 2016
10 February 2017	Year-end report 2016

The Board of Directors and the Managing Director hereby give their assurance that the year-end report provides a true and fair picture of the business activities, financial position and results of operations of the Parent Company and the Group, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 17 August 2016

David Dangoor
Board member

Jan Annwall
Board member

Ewa Björling
Board member

Stefan Elving
Board member

Inger Holmström
Board member

Anthon Jahreskog
Board member

Brit Stakston
Board member

Paula Zeilon
Board member

Axel Sjöblad
Managing Director

Auditor's report on the review of the interim financial information (interim report)

Introduction

We have reviewed the accompanying condensed interim financial statements of BioGaia AB (publ) at 30 June 2016 and for the six-month period then ended. The Board of Directors and Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA (International Standards on Auditing) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not, in all material aspects, give a true and fair view of the financial position of the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and of the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, 17 August 2016

Deloitte AB

Birgitta Lööf
Authorized Public Accountant

BioGaia AB

The company

BioGaia is a healthcare company that develops, markets and sells probiotic products with documented health benefits. The products are primarily based on different strains of the lactic acid bacterium *Lactobacillus reuteri* in combination with unique packaging solutions that make it possible to create probiotic products with a long shelf life.

The class B share of the Parent Company BioGaia AB is quoted on the Mid Cap list of Nasdaq OMX Nordic Exchange Stockholm.

BioGaia has 103 employees, of whom 35 are based in Stockholm, 28 in Lund, 31 in Eslöv, one in Raleigh, USA, seven in Hiroshima, Japan, and one in Shanghai, China.

Business model

BioGaia's revenue comes mainly from the sale of drops, digestive health tablets, oral rehydration solution (ORS) and oral health products to distributors, but also of revenue from the sale of bacteria cultures to be used in licensee products (such as infant formula and dairy products), as well as royalty revenue for the use of *Lactobacillus reuteri* in licensee products and sales of delivery systems such as straws and caps.

The products are sold through nutrition and pharmaceutical companies in some 90 countries worldwide.

BioGaia holds patents for the use of *Lactobacillus reuteri* and certain packaging solutions in all major markets.

The BioGaia brand

At the beginning of 2006 BioGaia launched its own consumer brand and today there are a number of distribution partners that sell finished products under the BioGaia brand in a large number of markets. One central part of BioGaia's strategy is to increase the share of sales consisting of BioGaia-branded products.

Some of BioGaia's distributors sell finished consumer products under their own brand names. For these products, the BioGaia brand is shown on the consumer package since BioGaia is both the manufacturer and licensor.

BioGaia's licensees add Reuteri culture to their products and sell these under their own brand names. On these products, the BioGaia brand is most often shown on the package as the licensor/patent holder.

Research and clinical studies

BioGaia's strains of *Lactobacillus reuteri* are some of the world's most well researched probiotics, especially in young children. To date, 155 clinical studies using BioGaia's human strains of *Lactobacillus reuteri* have been performed on around 13,000 individuals of all ages. The results have been published in 136 articles in scientific journals.

Studies have been performed on:

- Infantile colic and digestive health in children
- Antibiotic-associated diarrhoea (AAD)
- Acute diarrhoea
- Gingivitis (inflammation of the gums)
- Periodontal disease
- General health
- *Helicobacter pylori* (the gastric ulcer bacterium)
- Necrotizing enterocolitis (NEC)

REPORTING OF CLINICAL STUDIES

Publication of clinical trial results is a key success factor for BioGaia. The International Committee of Medical Journal Editors has initiated a policy requiring clinical investigators to deposit information about trial design into an accepted clinical trials registry before the onset of patient enrolment, and this has now become a prerequisite for publication of trial outcomes in major medical journals. ClinicalTrials.gov is a registry of clinical trials provided by the U.S. National Institutes of Health and BioGaia encourages all clinicians working with BioGaia products to register their trials on this site. Many of the trials are registered at an early stage, which means that some of the registered trials will not be performed as planned. Consequently, BioGaia takes no responsibility for ensuring that the registered trials reach completion or are successfully reported in the register or the scientific literature. When clinical trial results of significance for the company's operations do become available, BioGaia will report these through press releases.

Latest press releases from BioGaia:

2016-08-08 BioGaia's oral health probiotic reduces pregnancy gingivitis
2016-05-27 Rights issue in IBT fully subscribed – BioGaia's underwriting guarantee will not be utilized
2016-05-17 BioGaia's probiotic effective in treating abdominal pain in children

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