

PRESS RELEASE

Submitted for disclosure on 29 September 2016 at 07.00 (CET).

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Probi decides on rights issue and announces terms

The Board of Directors of Probi AB (publ) (“Probi”) has resolved, based on the authorization from the Extraordinary General Meeting on 29 June 2016, to launch a new share issue with preferential right for existing shareholders in order to repay the bridge facility and part of the credit facility which will be used to finance the acquisition of the operations of the US probiotic company TNTGamble, Inc., doing business as Nutraceutix (“Nutraceutix”). Nutraceutix’ assets will be transferred to Probi and the acquisition is expected to be completed on 3 October 2016. Today, Probi announces the terms and conditions of the rights issue.

THE RIGHTS ISSUE IN BRIEF

- The rights issue comprises no more than 2,278,825 shares. Shareholders in Probi have preferential right to subscribe for one (1) new share per four (4) existing shares, i.e. an issue ratio of 1:4.
- The subscription price has been set to SEK 264 per new share, which results in total issue proceeds of approximately SEK 602 million before issue costs, assuming that the rights issue is fully subscribed.
- Symrise AG and Fjärde AP-fonden, controlling approximately 51.4 per cent and 5.9 per cent respectively of the outstanding share capital and votes in Probi, have committed to, subject to customary conditions, subscribe for their pro rata shares in the rights issue.¹
- In addition, Swedbank Robur Fonder and Handelsbanken Fonder, together controlling approximately 12.1 per cent of the outstanding share capital and votes in Probi, have indicated their intention to subscribe for their pro rata shares in the rights issue.¹
- Consequently, in aggregate, commitments and indications of intent to subscribe for pro rata shares in the rights issue have been obtained from shareholders controlling approximately 69.5 per cent of the outstanding share capital and votes in Probi.¹

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

Those who, on the record date 6 October 2016, are registered by Euroclear Sweden AB as shareholders in Probi will receive one (1) subscription right for each share held in Probi. The subscription rights entitle the holder to subscribe with preferential right for new shares, in which case four (4) subscription rights entitle to subscribe for one (1) new share. In addition, the company offers the possibility to subscribe for shares without subscription rights.

Assuming that the rights issue is fully subscribed, the share capital will increase by no more than SEK 11,394,125 through the issue of no more than 2,278,825 new shares. The subscription price has been

¹ The stated holdings are calculated as of 31 August 2016 including known changes thereafter, with consideration for Probi’s holdings of 250,000 treasury shares which may not be represented at general meetings and does not entitle to participate in the rights issue.

set to SEK 264 per new share, corresponding to total issue proceeds of approximately SEK 602 million before issue costs, provided that the rights issue is fully subscribed.

The existing shares are traded including the right to receive subscription rights up to and including 4 October 2016 and the first day of trading in shares excluding the right to receive subscription rights is 5 October 2016. The subscription period runs from and including 7 October 2016 up to and including 21 October 2016. Probi's Board of Directors has the right to extend the subscription period which, when applicable, will be announced through a press release at the latest on 21 October 2016.

Existing shareholders who choose not to participate in the rights issue will have their ownership diluted by approximately 20 per cent, but are able to financially compensate for this dilution by selling their subscription rights. Unexercised subscription rights must be sold in order not to lapse without value.

If not all shares are subscribed for by exercise of subscription rights, the Board of Directors shall resolve on allotment of shares subscribed for without subscription rights as follows. Firstly, allotment shall be made to those who have applied for subscription and subscribed for shares by exercise of subscription rights, irrespective of whether the subscriber was a shareholder on the record date or not, and in case of over-subscription, in proportion to the number of subscription rights each one has exercised for subscription of shares and, in so far as this is not possible, by drawing of lots. Secondly, allotment shall be made to others who have applied for subscription without subscription rights (the general public in Sweden and qualified investors), and, in case of over-subscription, in proportion to the number of shares stated in each subscription application and in so far as this is not possible, by drawing of lots.

PROBI'S INTERIM REPORT FOR THE THIRD QUARTER 2016

As a consequence of the rights issue, Probi has decided to advance the publication of the interim report for the period 1 January–30 September 2016. The new publication date of the interim report is 18 October 2016. Since the interim report will thus be published during the subscription period of the rights issue, a prospectus supplement will be made available.

INDICATIVE TIMETABLE FOR THE RIGHTS ISSUE

4 October	Publication of the prospectus for the rights issue
4 October	Last day of trading in the Probi share including the right to receive subscription rights
5 October	First day of trading in the Probi share excluding the right to receive subscription rights
6 October	Record date for the rights issue, that is, shareholders who are registered in the share register on this date will receive subscription rights that entitle to participate in the rights issue
7–19 October	Trading in subscription rights
7–21 October	Subscription period
7–26 October	Trading in paid subscribed shares (BTA)
18 October	Publication of Probi's interim report for the period 1 January–30 September 2016
Approx 18 October	Publication of prospectus supplement for the rights issue
27 October	Announcement of the outcome of the rights issue



ADVISORS

Handelsbanken Capital Markets is acting as financial advisor and Mannheimer Swartling Advokatbyrå AB is acting as legal advisor to Probi in relation to the rights issue.

FOR FURTHER INFORMATION, CONTACT:

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This information is information that Probi 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 07.00 CET on 29 September 2016.

ABOUT PROBI

Probi AB is a Swedish publicly traded bioengineering company that develops effective and well-documented probiotics. Through its world-leading research, Probi has created a strong product portfolio in the gastrointestinal health and immune system niches. Probi's products are available to consumers in more than 30 countries worldwide. Probi's customers are leading food, health-product and pharmaceutical companies in the Functional Food and Consumer Healthcare segments. In 2015 Probi had sales of MSEK 216. The Probi share is listed on Nasdaq Stockholm, Small Cap. Probi has about 4,400 shareholders. Read more at www.probi.se.



IMPORTANT NOTICE

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in Probi. Any invitation to the persons concerned to subscribe for shares in Probi will only be made through the prospectus which Probi expects to publish on 4 October 2016.

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No subscription rights, paid subscribed shares or shares in Probi have been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities legislation of any state or other jurisdiction in the United States and no subscription rights, paid subscribed shares or shares may be offered, subscribed for, sold, resold, delivered or otherwise transferred, directly or indirectly, in or into the United States except under an available exemption from, or transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

This press release contains certain forward-looking information that reflects Probi's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.