



PRESS RELEASE

This information was submitted for disclosure on 20 October 2020 at 23.45 (CET).

Probi acquires shares in Vital Nutrients Holdings and enters into strategic partnership

Probi has today invested USD 6 million in the US-based company Vital Nutrients Holdings, LLC (“Vital Holdings”). The investment is part of a strategic partnership between Probi and Vital Holdings.

Vital Holdings is a recognized and leading consumer health and nutraceutical company offering clinically supported, nutritional supplements to healthcare practitioners, healthcare institutions, and their patients worldwide.

Including its recently completed acquisition of Hyperbiotics, a leading probiotics supplement brand, Vital Holdings includes three brands with a combined 2019 sales revenue of approximately USD \$40 million and a team of approximately 50 employees.

Vital Holdings is a portfolio company of North Castle Partners, a leading consumer private equity firm. Probi will be the second largest shareholder in Vital Holdings, holding slightly less than ten percent of the shares in the company that will be reported as a financial investment in Probi’s balance sheet.

Probi will finance the acquisition by its own cash reserves and assumes a medium to long term perspective on its ownership in Vital Holdings.

Strategic partnership between Probi and Vital Holdings

Probi will work closely with Vital Holdings and its various brands as a supplier for probiotic supplements and jointly research and develop new attractive product concepts in categories where the two businesses overlap.

The partners will also evaluate opportunities for future manufacturing expansion, leveraging Probi’s existing facilities. Hyperbiotics has been a longstanding partner of Probi and as a part of the partnership between Probi and Hyperbiotics, the two parties have entered into a new long-term supply agreement.

“We are very enthusiastic about this partnership and see good collaboration opportunities in this structure. We believe there is a complementary fit between our two businesses, as Vital Holdings is focused on scientifically backed professional brands, sales to healthcare practitioners and major e-commerce marketplaces. Like Probi, they have a mindset of innovation and scientific support as key differentiators. In this structure we can also extend our existing partnership with Hyperbiotics and contribute to growing their brand further”, says Tom Rönnlund, CEO at Probi.

“We are excited to welcome Probi as a partner in Vital Holdings and collaborate with them across our family of science-based brands. We have tremendous respect for Probi’s capabilities given their long track record in probiotics and are delighted to take this step together with them”, says Jane Pemberton, CEO & President of Vital Holdings.



FOR FURTHER INFORMATION, CONTACT:

Tom Rönnlund, CEO, Probi, tel +46 46 286 89 40, e-mail: trd@probi.com

Henrik Lundkvist, CFO, Probi, tel +46 46 286 89 41, e-mail: henrik.lundkvist@probi.com

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 persons set out above, on 20 October at 23.45 CET.

ABOUT PROBI

Probi AB is a Swedish publicly traded bioengineering company. Probi's vision is to help people live healthier lives by delivering effective, well-documented probiotics, with proven health benefits based on scientific research. Founded by scientists in Sweden in 1991, Probi is a multinational company, active in over 40 markets around the world and holding over 400 patents worldwide. In 2019, Probi had net sales of SEK 626 m. Probi's shares are traded on Nasdaq Stockholm, Mid Cap. Probi had around 4,000 shareholders on December 31, 2019. Read more at www.probi.com.

Background information on Vital Nutrients Holdings and North Castle Partners

ABOUT VITAL NUTRIENTS HOLDINGS

Vital Nutrients Holdings is a consumer health & nutritional supplement company that partners with science-based professional brands, including Vital Nutrients, Bariatric Fusion, and Hyperbiotics, that offer high-quality dietary supplements sold through both healthcare practitioner networks (or other professionals) and direct to consumers via e-commerce marketplaces. Vital Nutrients Holdings is a portfolio company of North Castle Partners.

ABOUT NORTH CASTLE PARTNERS

North Castle Partners is a leading private equity firm focused on investments in consumer-driven product and service businesses that promote healthy, active, and sustainable living. North Castle is a hands-on, value-added investor in high-growth, middle-market companies in the (i) fitness, recreation & sports, (ii) nutrition, (iii) beauty & personal care, (iv) consumer health, and (v) home & leisure sectors, among others. North Castle partners with management to bring a wide range of strategic and operational capabilities to build worldclass companies by unlocking the exponential power of full potential partnerships. North Castle is headquartered in Greenwich, CT. For more information, visit www.northcastlepartners.com.