

BioGaia signs major distribution and license agreements with partner in Japan

Through its Japanese subsidiary BioGaia has signed two new exclusive distributor agreements for Japan with Nippon Kabaya Ohayo Holdings Inc. One for sales of finished probiotic supplements with *Lactobacillus reuteri* and one for use of *Lactobacillus reuteri* as ingredient in food. Launches are planned to 2017.

The first agreement concerns the exclusive rights to sell probiotic supplements with BioGaia's patented strains of *Lactobacillus reuteri* at drugstores, supermarkets and similar outlets. Depending on the product category, products will be sold under Kabaya, Ohayo and/or BioGaia brands and the main target segment is adults. The other agreement is an exclusive license, giving Ohayo Dairy Products the rights to use strains of *Lactobacillus reuteri* in food, such as drinks and dairy products.

The agreements are long term and include exclusivity fees and minimum royalties over the term of the contracts, which will have a substantial effect on BioGaia's Japanese business. Due to confidentiality, the amounts of the fees and the royalties cannot be disclosed.

Nippon Kabaya Ohayo Holdings Inc. is a privately-owned company with headquarters in Tokyo and consisting of a group of 13 companies with more than 3,000 employees. Kabaya Foods and Ohayo Dairy, Japan's 7th largest confectionary and dairy companies respectively, are both well-known brands with a strong presence in the confectionary and dairy markets.

"Through these two milestone agreements with Nippon Kabaya Ohayo Holdings Inc. we have secured another trusted partner in the complex Japanese market. In addition to the marketing and sales of our supplements we look forward to the creation of innovative functional foods based on our *Lactobacillus reuteri* strains", says Axel Sjöblad, Managing Director, BioGaia.

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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 08.00 CET on 5 December 2016.

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 around 90 countries worldwide. The class B share of the Parent Company BioGaia AB is quoted on the Mid Cap list of Nasdaq OMX Nordic Exchange Stockholm. bioGaia.com

