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## **BioGaia intends to carry out a directed share issue of up to SEK 1.1 billion**

**BioGaia AB (publ) (“BioGaia” or the “Company”) (Nasdaq Stockholm: BIOG B) hereby announces its intention to carry out a directed issue of new class B shares corresponding to a value of up to SEK 1.1 billion to Swedish and international institutional investors (the “Directed Issue”). In the event of strong demand in the Directed Issue, certain larger shareholders in the Company – Annwall & Rothschild Investments AB and David Dangoor – have declared themselves willing to sell approximately 200,000 class B shares in BioGaia, at the same price as in the Directed Issue. The strategic investor Cargill Inc. and EQT Public Fund FCP-RAIF (“EQT Public Value”) have indicated interest to participate in the Directed Issue with significant amounts. BioGaia has appointed Carnegie Investment Bank AB (publ) (“Carnegie”) to act as Sole Global Coordinator and Bookrunner in connection with the Directed Issue.**

### **The Directed Issue**

The Directed Issue is intended to be carried out with deviation from the shareholders' pre-emptive rights, and to be resolved upon by the board of directors, partly in accordance with the issue authorization granted by the annual general meeting on 7 May 2020, and partly subject to the subsequent approval by an extraordinary general meeting. The Directed Issue is intended to be carried out through an accelerated book building procedure, which will commence immediately following this press release. Pricing and allocation of the new shares is expected to take place before the commencement of trading on Nasdaq Stockholm at 09.00 CET on 2 November 2020. By establishing the subscription price in the Directed Issue through an accelerated book building procedure, it is the assessment of the board of directors that the subscription price will accurately reflect current market conditions and demand. The closing, pricing and allocation of the book building procedure is at the discretion of the Company and may be cancelled at any time. The Company will announce the outcome of the Directed Issue in a subsequent press release after the book building procedure has been completed.

In the event of strong demand and to enable BioGaia to meet any such demand, certain larger shareholders, Annwall & Rothschild Investments AB, a company owned by Peter Rothschild, chairman of the board, and Jan Annwall, as well as David Dangoor, vice chairman of the board, have declared themselves willing to, in connection with the

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Directed Issue, sell approximately 200,000 existing class B shares in the Company at the same price as the Directed Issue. These shareholders have expressed their intention to remain long-term owners in the Company. The Company will not receive any proceeds from a potential sale of existing shares.

The reasons for deviating from the shareholders' pre-emptive rights are to raise capital in a time and cost-effective manner as well as to further diversify the shareholder base with Swedish and international institutional investors. The strategic investor Cargill Inc. and EQT Public Value have indicated interests to participate in the Directed Issue with significant amounts.

The Company intends to use the net proceeds from the Directed Issue to accelerate BioGaia's growth agenda to be able to act swiftly on potential future acquisitions including minority investments. The ongoing consolidation of the industry presents interesting acquisition candidates in all parts of the value chain on a global level. Potential acquisition candidates include investments in complementing products within BioGaia's focus areas: manufacturing capabilities and research.

Provided that the board of directors resolves on the Directed Issue as set forth above, an extraordinary general meeting will be convened to approve the part of the Directed Issue which is not based on the annual general meeting's issue authorization. Certain of the Company's existing shareholders, together holding approximately 35 of the shares, and approximately 53 percent of the votes, in BioGaia, have expressed their intention to vote in favour thereof at the extraordinary general meeting.

In connection with the Directed Issue, the Company has agreed to a lock-up undertaking, with customary exceptions, on future share issuances for a period of 180 days after the settlement date of the Directed Issue. In addition, the executive management representatives of BioGaia[1] have agreed not to sell any shares in BioGaia for a period of 180 days after the settlement date of the Directed Issue, subject to customary exceptions.

### Advisers

Carnegie Investment Bank AB (publ) is Sole Global Coordinator and Bookrunner in connection with the Directed Issue. Advokatfirman Vinge and Shearman & Sterling (London) LLP are legal advisers to the Company in connection with the Directed Issue.

### For more information contact:

Isabelle Duccellier, CEO: 08 555 293 00

### Latest press releases from BioGaia

23.10.2020	Interim Management Statement January – September 2020
12.10.2020	Reduced sales due to covid-19
28.09.2020	<i>L. reuteri</i> Protectis reduces pain in children with functional abdominal pain

This is information that BioGaia AB (publ) 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 13:30 CET 30 October 2020.

[1] Isabelle Duccellier, Alexander Kotsinas, Sebastian Schröder, Urban Strindlöv and Ulrika Köhler.

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**There will be no public offer of the securities referred to herein in Sweden, the United States or any other jurisdiction.**

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. BioGaia has not authorised any offer to the public of shares or other securities in the United Kingdom or any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Issue. In any EEA Member State, this communication is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" within the meaning of the Prospectus Regulation who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, Relevant Persons. Persons who are not Relevant Persons should not take any action on the basis of this press release and should not act or rely on it.

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Carnegie. Carnegie is acting solely for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein. If you do not understand the contents of this press release you should consult an authorised financial adviser.

### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq Stockholm's rule book for issuers.

### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the

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shares in BioGaia have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in BioGaia may decline and investors could lose all or part of their investment; the shares in BioGaia offer no guaranteed income and no capital protection; and an investment in the shares in BioGaia is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Carnegie will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in BioGaia.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in BioGaia and determining appropriate distribution channels.

This is a translation of the Swedish version of the press release. In case of discrepancies, the Swedish wording shall prevail.

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