BioGaia AB launches a subsidiary company - BioGaia New Sciences AB dedicated to advancing microbiome research and innovation beyond its core business

As interest in biotics¹ and their wide range of health applications continues to grow, BioGaia is proud to announce the launch of a subsidiary company, BioGaia New Sciences AB, dedicated to exploring opportunities in microbiome friendly and biotics-containing products beyond BioGaia's current core focus areas: gut health, immune health, and oral health.

The first area for the new company will be skin health, a natural next step, given the parallels between skin and gut microbiomes. The skin microbiome, much like the gut microbiome, plays a vital role in overall health. In early life, both develop in similar ways as they are shaped by birth, environment and nutrition, making the skin a promising and exciting next step for microbiome-friendly solutions.

The global skin microbiome market is entering a high-growth phase, with a valuation of USD 1.03 billion in 2024 and expected to reach USD 2.86 billion by 2032, driven by a projected CAGR of 13.7 percent from 2025 onwards. This explosive growth reflects increasing consumer focus on science-backed skincare and expanding innovation in microbiome-specific formulation trends that align strongly with BioGaia New Sciences's strategy.²

To lead this new venture, BioGaia New Sciences AB has appointed Maik Lepatey as CEO. Maik brings extensive experience with a long and successful background in the skin care and beauty industry, including at L'Oréal. Maik joins and will lead an expert team already on board in the areas of skin health, dermatology, skin care product development, and consumer health.

BioGaia New Sciences builds on BioGaia's vision to develop science-based, clinically relevant products, starting with BioGaia Aldermis, a probiotic ointment for dry and sensitive skin in infants and children currently available in North America. In addition, BioGaia New Sciences has recently acquired new product formulations including microbiome-friendly skin care products for infants and children.

This new venture does not materially impact our financial results.

Theresa Agnew, CEO and President of BioGaia AB says: "We see great potential in expanding the science of biotics into new areas of health. By launching BioGaia

BioGaia

New Sciences AB, we will explore new and meaningful ways to support human health through the skin microbiome. With major industry players actively acquiring microbiome-focused companies, it is clear this area is gaining serious momentum. This marks an exciting next chapter for us, whilst still pursuing our main focus in probiotics."

Maik Lepatey, CEO at BioGaia New Sciences AB, says: "I am honored to join BioGaia New Sciences AB. With the power of probiotics, a deep commitment to science-driven results and innovations, we have an extraordinary opportunity to redefine skin care to be grounded in both health and care."

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About BioGaia

BioGaia is a Swedish probiotics company that has been at the forefront of microbiome research for more than 35 years. BioGaia develops, markets, and sells probiotic products focused on gut health, immune health, and oral health. The products are sold through local distribution partners or via own distribution in over 100 markets. The class B share of the Parent Company BioGaia AB is quoted on the Mid Cap segment of Nasdaq Stockholm. biogaiagroup.com

¹ Biotics refer to probiotics, prebiotics, postbiotics, and synbiotics – compounds or microorganisms that support health by interacting with the body's microbiome.

² Source: <u>databridgemarketresearch</u>