

NOTICE TO ATTEND THE ANNUAL GENERAL MEETING OF BIOGAIA AB (PUBL)

BioGaia AB (publ) will hold its Annual General Meeting at 4:00 p.m. on Tuesday, 8 May 2012, at Citykonferensen Ingenjörshuset, Malmkillnadsgatan 46, in Stockholm. The doors will be opened for registration at 3:00 p.m. Registration will end at 4:00 p.m.

Right to participate

In order to participate in the Annual General Meeting (AGM), shareholders must be recorded in the register of shareholders maintained by Euroclear Sweden AB no later than Wednesday, 2 May 2012, and must provide notice of participation to the company no later than 4:00 p.m. on Friday, 4 May 2012. Notification can be made by mail to BioGaia AB (publ), Box 3242, SE-103 64 Stockholm, Sweden, by telephone +46 (0)8-555 293 00, by fax +46 (0)8-555 293 01 or by e-mail to arsstamma@biogaia.se. The notification should include the shareholder's name, personal or corporate identity number, address, telephone number, registered shareholding and the names of any proxies or assistants.

In order to vote in the AGM, shareholders whose shares are registered in the name of a trustee must temporarily re-register the shares in their own name. Such re-registration must be completed no later than Wednesday, 2 May 2012.

Form of proxy

Shareholders who are represented by a proxy must submit a dated form of proxy. If the form of proxy is submitted by a legal entity, a copy of the certificate of registration or other proof of authorisation for the legal entity must be attached. A form of proxy can be downloaded from the company's website www.biogaia.se. An original form of proxy and, where appropriate, a certificate of registration or other proof of authorisation should be received by the company at the above address no later than Friday, 4 May 2012.

Proposed agenda

1. Opening of the Meeting.
2. Election of the Chairman of the Meeting.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two minutes-checkers.
6. Determination as to whether the Meeting has been duly convened.
7. Address by the President.
8. Presentation of the annual report, the audit report, the consolidated financial statements and consolidated audit report.
9. Resolution's regarding:
 - a) Adoption of the income statement and balance sheet and the consolidated income statement and balance sheet,
 - b) Appropriation of the company's earnings according to the adopted balance sheet,
 - c) Discharge from liability for the Board of Directors and the President.
10. Presentation of the Nominating Committee's proposals regarding items 11- 15 below.
11. Resolution regarding the number of Board members.
12. Determination of fees to be paid to the Board of Directors and auditors.
13. Election of Board members.
14. Election of the Board Chairman.
15. Resolution regarding the Nominating Committee
16. The Board's proposal for resolution regarding principles for remuneration to senior executives.

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17. The Board's proposal for resolution regarding an additional dividend
18. The Board's proposal for resolution regarding an incentive scheme for the employees
19. The Board's proposal for resolution regarding reduction of the statutory reserve
20. Adjournment of the Meeting

Resolutions, etc.

The Nominating Committee's proposals regarding items 2 and 11-15 in the agenda.

The Nominating committee has been formed in accordance with the decision of the AGM and the ownership conditions at 30 June 2011, and consists of Per-Erik Andersson, representing Annwall & Rothschild Investment AB, the company's largest shareholder, Allan Ladow, representing Sebastian Jahreskog, the company's second largest shareholder, and Board Chairman David Dangoor, the company's fourth largest shareholder.

Item 2 - Election of the Chairman of the Meeting

Attorney Peter Vennerstrand.

Item 11 - Resolution regarding the number of Board members

Seven (7) regular Board members with no (0) deputies.

Item 12 - Determination of fees to be paid to the Board of Directors and auditors

Board fees shall be paid in a total amount of SEK 1,200,000, of which the Board Chairman shall receive SEK 300,000 and the other Board members not employed by the company shall receive SEK 150,000 each. Auditors' fees shall be paid according to approved account.

Item 13 - Election of Board members

Re-election of Jan Annwall, David Dangoor, Stefan Elving, Thomas Flinck, Inger Holmström, Paula Zeilon and Jörgen Thorball.

A detailed description of the members of the Board is provided in the 2011 annual report and on the company's website www.biogaia.com.

Item 14 - Election of the Board Chairman

Re-election of David Dangoor.

Item 15 - Resolution regarding the Nominating Committee

The Board Chairman shall convene the three largest shareholders in the company, each of which shall have the right to appoint a member to the Nominating Committee together with the Board Chairman. In determining the composition of the Nominating Committee, the largest shareholders in terms of voting power shall be based on the ownership conditions at 30 June 2012. The Nominating Committee shall be chaired by the member representing the largest shareholder on this date. If any of the three largest shareholders should waive this right, the shareholder next in order of voting power shall be given the opportunity to appoint a member. The names of the shareholder representatives shall be announced as soon as they are appointed, although no later than six months prior to the 2013 Annual General Meeting. The mandate period of the Nominating Committee shall extend until such time as the new Nominating Committee has been appointed.

Should the ownership composition change in such a way that the shareholder represented by a member of the Nominating Committee is no longer among the three largest shareholders in terms of voting power, the Nominating Committee may, if deemed appropriate, remove such member and the shareholder next in order of voting power shall be given the right to appoint a member to the Nominating Committee. The same applies if a member of the Nominating Committee should leave the Nominating Committee for other reasons.

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The Nominating Committee shall prepare proposals on the following matters to be put before the 2013 AGM for decision:

- a) recommendations for election a Chairman of the AGM
- b) recommendations for election of Board members
- c) recommendations for election of the Board Chairman
- d) recommendation of Board fees
- e) recommendation of auditor's fees
- f) recommendations for the Nominating Committee ahead of the 2014 AGM.

The Board's proposals for resolution regarding items 9b and 16 – 19 on the agenda.

Item 9 b – Appropriation of the company's earnings

The Board of Directors and President propose that the shareholders be paid a dividend of SEK 4 per share, with the record date on 11 May 2012. Dividends are expected to be disbursed by Euroclear Sweden AB on 16 May 2012. In view of the proposed dividend, the company has issued a separate statement in accordance with Chapter 18, Section 4, of the Swedish Companies Act (SFS 2005:551)

Item 16 - The Board's proposal for resolution regarding principles for remuneration to senior executives

The Board of Directors proposes that the AGM approve the following guidelines for remuneration and other terms of employment for senior executives in the Group. These principles apply to employment contracts entered into after the decision of the AGM and in the event that changes are made in the existing terms after this date.

It is of fundamental importance for the Board that the principles for remuneration and other terms of employment of senior executives in the Group create long-term motivation and enable the company to retain competent employees who work to attain maximum shareholder and customer value. In order to achieve this, it is vital to uphold fair and internally balanced terms that are market-based and competitive with respect to the structure, scope and level of remuneration. The total remuneration package for the affected individuals should contain a well balanced mix of fixed salary, variable remuneration, long-term incentive schemes, pension benefits, other benefits and terms of notice/termination benefits.

Fixed salary – Fixed salary shall be differentiated on the basis of the individual's role and responsibilities, as well as the individual's competence and experience in relevant positions.

Variable remuneration – Variable remuneration shall be equal to not more than 25% of the total remuneration.

Long-term incentive schemes – Every year, the Board of Directors shall evaluate whether a share-based or share price-based incentive scheme should be proposed to the AGM. Other types of long-term incentive schemes can be decided on by the Board. Any remuneration in the form of long-term incentive schemes shall be consistent with generally accepted practices in the respective market.

Pensions – Senior executives who are entitled to pension benefits shall have pension agreements of the defined contribution type. The mandatory age of retirement for the senior executives who are Swedish citizens is 65 years, and for others according to the pension rules in their respective countries. The amount of benefit payable depends on the amount payable under the pension agreements in force.

Other benefits – Other benefits shall be of limited value in relation to the other remuneration and shall be consistent with general norms in the respective geographic market.

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Terms of notice and termination benefits – The President and the company have a mutual period of notice of 18 months. The company's Vice President(s) shall have a corresponding period of notice of six months, and other senior executives three months.

The Board of Directors proposes that the Board be authorised to deviate from the above proposed guidelines in individual cases when there is special reason to do so.

Item 17 – The Board's proposal for resolution regarding an additional dividend

The Board of Directors proposes that the AGM approve an additional dividend of SEK 2 per share, above and beyond the proposed dividend of SEK 4 per share. This means that the company's profits according to the adopted balance sheet will be appropriated so that SEK 69,083,848 is distributed in accordance with the proposal in the annual report and that SEK 34,541,924 is distributed through an additional dividend.

The Board of Directors proposes that the following conditions apply to the appropriation of earnings:

- An additional dividend of SEK 2 (two) beyond that previously proposed by the Board in the annual report for the 2011 financial year;
- that the record date be 11 May 2012; and
- that the dividends be disbursed on 16 May 2012.

Item 18 – The Board's proposal for resolution regarding an incentive scheme for the employees

The Board of Directors proposes that the AGM approve the implementation of an incentive scheme for the employees and as part of the incentive scheme a decision on the issue of not more than 200,000 subscription warrants. Each warrant shall entitle the holder to subscribe for one class B share in BioGaia AB (publ). The warrants can be exercised to subscribe for shares on 1 June 2015 at an exercise price equal to 150% of the volume-weighted average price during the ten business days after the Annual General Meeting according to the quoted bid prices on NASDAQ OMX Stockholm's price list for class B shares in the company. The right to subscribe for subscription warrants, free of charge and with deviation from the shareholders' pre-emptive rights, shall be assigned to the wholly owned subsidiary TriPac AB for further transfer to employees in the BioGaia Group according to more detailed instructions from the Board of the company. The warrants shall be transferred at a market price calculated according to the Black & Scholes formula. If all 200,000 warrants are exercised for subscription to shares, the company's share capital will be increased by SEK 200,000, equal to a dilutive effect of around 1.14% on the share capital and approximately 0.8 % on the total number of votes. The reason for deviation from the shareholders' pre-emptive rights is to create a sense of participation for the employees and ensure that they share the goal to achieve profitable growth for the company. Furthermore, the intention is to motivate the employees to remain employed in the Group and in special cases to be used for purposes of recruitment.

In order to achieve a high level of participation among those who are entitled to subscribe, the company will pay a subsidy of SEK 10 per warrant to the employees who subscribe for warrants. This subsidy will be paid after the end of the term of the warrants on the condition that (i) the warrant holder remains employed in the BioGaia Group on this date, and that (ii) the warrant holder has not exercised the subscription warrant. The subsidy will be regulated in a separate agreement between the company and the respective warrant holder.

One condition for entitlement to the grant of warrants is that the employee signs a special pre-emptive rights agreement with the company that gives the company the right (i) to redeem the warrants, at market value, in the event of a bid from a third party for all shares in the company and in the case that the warrants are transferred to a third party, and (ii) in the event of termination of employment, to redeem the warrants at the lower of the warrants' historical cost and market value.

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Press Release 4 April 2012

For a valid decision, the proposal must be supported by shareholders holding at least nine tenths of both the number of votes cast and the number of shares represented at the AGM.

Item 19 – The Board's proposal for resolution regarding reduction of the statutory reserve

The Board proposes that the AGM approve a reduction in the company's statutory reserve by SEK 77,700,619 and a transfer of the entire amount to non-restricted reserves to be used according to the decision of the AGM.

Number of shares/votes and AGM documents, etc.

The total number of shares in the company on the record date amounts to 17,270,962, consisting of 740,668 class A shares and 16,530,294 class B shares, carrying a combined total of 23,936,974 votes.

At the AGM, if any shareholder should so request and the Board feels that this can be done without significant damage to the company, the Board of Directors and the President shall provide disclosures about conditions that could affect the assessment of items on the agenda and conditions that could affect the assessment of the company's or a subsidiary's financial situation and the company's relationship to other group companies.

The financial statements and audit report have been sent to the shareholders in March 2012. These documents, the Board of Directors' complete proposals for resolution regarding items 16 - 19 above, the Nominating Committee's proposal according to the above, the auditor's statement on compliance with Board's principles for remuneration to senior executives, the Board's report in respect of the proposed appropriation of earnings and proposed conditions for payment of dividends, a motivated statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551) and a proxy form will be available at the company starting on 17 April 2012 and will be sent to all shareholders who so request and who provide their mailing address. The documents will also be posted on the company's website www.biogaia.se.

Stockholm, April 2012

The Board of Directors of BioGaia AB (publ)

For additional information please contact

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Latest press releases from BioGaia

2012-03-21	The Board of BioGaia proposes that the AGM approve an extraordinary dividend, dissolution of the statutory reserve and an incentive scheme for the employees
2012-02-22	<i>Lactobacillus reuteri</i> Protectis reduced diarrhoea in children
2012-02-15	BioGaia extends collaboration with Nestlé

BioGaia has published this information in accordance with the Swedish Securities Market Act. The information was issued for publication on 4 April 2012, 3:00 pm CET.

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