

Carbiotix announces strategic re-focus and staff re-organisation

Carbiotix (publ) ("Carbiotix" or the "Company") announces today that the company will implement a strategic re-focus after positive feedback from the VitaFoods tradeshow in Geneva. As a consequence, the Company will re-organise its staff. This re-organisation reflects a decision by the Board of Directors to focus on the growth of its NutraCycle service in the near to medium term. The people who will be affected by the re-organisation will be confirmed after contact is made with the appropriate union representatives. Carbiotix will also be expanding its process engineering team to meet an increased demand for its NutraCycle service.

Erik Deaner, CEO of Carbiotix, comments

"The Board of Directors has decided that in the near to medium term that Carbiotix will focus its resources on the NutraCycle service, in terms of building out a pipeline of potential customers, carrying out pre-studies and joint development projects leveraging the Company's development labs and pilot site, securing licensing agreements, and supporting the operation of processes producing Carbersol. This decision is the correct decision to make at this time given the clear demand for the service expressed during the VitaFoods tradeshow in Geneva, the financial stability of potential NutraCycle customers, and its potential to get Carbiotix to a position of sustained profitability. Moreover, it is a logical decision as it is more difficult to sell Carbersol to customers before large, defined production volumes are in place, something that NutraCycle customers will support.

The consequential staff re-organisation is not an easy decision to make since long term colleagues are affected, however is necessary to ensure that Carbiotix effectively allocates its resources to business areas where there is a clear demand from the market and that can more quickly lead to sustained profitability. Unfortunately, although the Company experienced some success with its LinkGut service over the past year, the number of customers, financial stability of the customers, and pipeline conversion could not warrant continuing with the service at this time. We will re-evaluate if and when the LinkGut service can be offered again solely focusing on validating the efficacy of Carbersol, the original purpose of offering the service. We are however committed to ensuring that our current LinkGut customers are smoothly transitioned to alternative solution providers in the short term.

Moreover, although we see good interest from the market, we will also not actively promote our complex soluble fiber ingredient Carbersol at this time, apart from supporting diverse research projects wherever possible. The motivation for this is to focus on building out the production of different Carbersol ingredients through our NutraCycle customers, a strategy that will allow us to avoid cap ex investments while getting access to a greater diversity of Carbersol ingredients that will increase the complexity and efficacy of our nutraceutical and cosmetic ingredients over time, ensuring their long-term competitiveness.

The persons affected by this re-organisation will be confirmed after contact is made with the appropriate union representatives. Carbiotix will also be re-allocating resources to expanding its process engineering team to ensure that the increased demand for the NutraCycle service can be met.

This is information that Carbiotix AB is obliged to make public according to the EU Market Abuse Regulation (MAR). The information was made publicly available by the Company's contact person set out below on 28 May 2024.



Press Release
May 28, 2024

Forward-looking statements

This communication contains forward-looking statements, consisting of subjective assumptions and forecasts for future scenarios. Predictions for the future only apply as of the date they are made and are, by their nature, as is research and development work in the biotechnology segment, associated with risk and uncertainty. With this in mind, the actual outcome may deviate significantly from the scenarios as described in this press release.

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Carbiotix AB (CRBX) (www.carbiotix.com) is an award-winning biotechnology company pioneering microbiome healthcare through a portfolio of prebiotic modulators, upcycling services, and diagnostic testing services.