

Carbiotix initiates eight new NutraCycle pre-study projects and will begin quarterly reporting of new and ongoing customer projects

Carbiotix AB (publ) ("Carbiotix" or the "Company") announces today that the Company has initiated eight new NutraCycle pre-study projects and will begin quarterly reporting of both new and ongoing customer projects. The eight new projects are in addition to the two ongoing pre-study projects and one joint development project previously communicated. This brings the total number of customer projects to eleven, with twelve different and side-stream products being examined. The Company attributes this rapid growth of NutraCycle projects to its recent participation at VitaFoods Europe in May and IFT in July, as well as the introduction of a comprehensive digital marketing strategy following the summer period. Quarterly reporting of all customer projects will be provided on the last business day of each quarter to enhance communication with the market and other stakeholders regarding the demand for the NutraCycle service and status of all NutraCycle customer projects.

NutraCycle

NutraCycle is an onsite upcycling (turning side-streams in to higher value and nutrition) and fortification (reinstating the nutrition into a product) service offered to companies in the food & beverage, ingredient, and feed industries that process plant-based materials. The service is built on over 10 years of knowledge and expertise related to extracting prebiotics and other active ingredients such as proteins, polyphenols, and mono-sugars from plant-based side-streams. The goal of the NutraCycle service is to help companies produce healthier, more profitable and sustainable plant-based products. [\(1\)](#)

The NutraCycle service focuses on creating value for customers through attractive terms and a long-term alignment with their interests. The service is divided into four distinct steps:

- 1) A no-cost laboratory pre-study, a first assessment of what materials can be extracted at lab scale
- 2) A low-cost pilot pre-study, upscaling at a pilot site to validate the process
- 3) A low-cost joint development project (JDA)
- 4) Ongoing service support through a licensing agreement

Licensing fees are based on 5% of the value of fortification extracts used onsite, as well as syrups, dried products, and insoluble residuals sold off-site, in addition to the sale of customised process aids from Carbiotix. While the initial length of time to complete steps 1-3 is approximately 12 months for new plant-based side-streams, Carbiotix reduces this time to around 6 months as it gains experience with each side-stream.

Customers who use the NutraCycle service automatically join the NutraCycle Network and get access to collective knowledge and experience from all customer projects. This network helps accelerate the key steps in establishing and operating an onsite upcycling process, provides access to dedicated partners, and ultimately helps customers avoid costly mistakes.

NutraCycle Market

The potential market for the NutraCycle service is estimated to exceed 10 billion USD. This includes the market for plant-based food & beverage products, valued at nearly 24 billion USD and growing at approximately 10% annually; the plant-based ingredients market, valued at over 9 billion USD and growing at 8.6% annually; and the plant-based animal feed market, valued at over 500 billion USD and

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growing at over 3% annually. Approximately 20-30% of the total mass of plant-based materials is hemicellulose, which, when separated, is suitable for the NutraCycle process. [\(2\)](#)[\(3\)](#)[\(4\)](#)[\(5\)](#)

Erik Deaner, CEO of Carbiotix, comments:

"I am extremely pleased with the level of interest in the NutraCycle service and am excited to welcome the addition of eight new customer pre-study projects. I look forward to the months and years ahead as we help our customers maximise the value of their NutraCycle processes. Our current customers range from small companies to billion-dollar companies with global presence. Currently, these companies are based in Sweden, the United States, Australia, and The Netherlands, but interest in the service is undoubtedly global. With these new projects, we are now examining twelve different side-streams including corn, peas, oats, wheat, grass, cranberry, hemp, almonds, aloe vera, potato, spent grains, and diverse packaging materials. This list will likely expand quickly in the coming months and years as awareness of our service grows. In fact, we have already surpassed our internal goal of ten customer projects by the end of 2024 and see a clear path to potentially doubling this number. We are therefore constantly on the lookout for additional qualified process engineering and food science personnel.

Our value proposition of making plant-based products healthier, more profitable and sustainable resonates with virtually every potential customer we engage with. I believe this is because the concept of onsite upcycling and fortification simply makes sense. This strong interest we are seeing validates our value proposition and business model, which is arguably as innovative as the technology itself, aligning with our customers long-term interests. Simply put, we only generate value for Carbiotix when we generate value for our customers. Saying this, over the next 6-12 months, the key value drivers for Carbiotix will be revenues from pre-study and joint development projects, as well as the growth in the number and size of ongoing customer. To support this growth, Carbiotix will be exhibiting at Future Food Tech in London and Supply Side West in Las Vegas in October, and FI in Frankfurt in November.

To ensure that investors and other stakeholders are well-informed about all NutraCycle projects, we have decided to report on a quarterly basis the number of new pre-study projects and total number and status of ongoing projects. These reports will be provided on the last business day of each quarter. We will also as required provide separate press releases for new joint development and license agreements as they occur, given their importance for the Company's growth and value."

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.

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 29 August 2024.

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Carbiotix AB (CRBX) (www.carbiotix.com) is an award-winning biotechnology company pioneering the onsite upcycling of plant-based side-streams. Carbiotix mission is to improve the health of people by increasing the consumption of prebiotics and other active ingredients from upcycled side-streams. Carbiotix offers one core service today called NutraCycle, an on-site upcycling and fortification service allowing food & beverage, ingredient, and feed producers to turn plant-based products into healthier, more profitable, and sustainable products.