

## Carbiotix receives signed Letter of Intent for first NutraCycle license agreement

**Carbiotix AB (publ) ("Carbiotix" or the "Company") announces today that the Company has received a signed Letter of Intent (LOI) for its first NutraCycle license agreement. The LOI was signed by a leading Nordic and global plant-based dairy producer and outlines the requirements for moving forward with the signing of a NutraCycle license agreement. Business case modeling based on the customer's side-stream (by-products from the company's manufacturing process) indicates up to 80% savings when manufacturing prebiotic extracts onsite compared to purchasing equivalent ingredients offsite.**

**Erik Deaner, CEO of Carbiotix, comments:**

"This LOI is an indication that the Joint Development Agreement (JDA) phase is going well and progressing as planned. The LOI outlines the requirements that must be fulfilled in order to proceed with signing a license agreement and includes the completion of the product formulation and process related JDA work, as well as a formal decision to build the NutraCycle process. Carbiotix will not provide an exact completion date for JDA activities at this time but is working towards expediting this as soon as possible, as it is in the interest of both parties.

When modelling the business case for a NutraCycle process based on the customer's side-stream in question, we achieve the estimated breakeven or positive cashflow for Carbiotix at a 7,500 tonnes/year processing capacity. At this scale, Carbiotix would generate potential annual license royalties of up to 1.85 MUSD over a projected 10-year licensing period. For the customer, this would translate into a payback of less than one year if the customer chooses to sell the ingredient. Additionally, onsite manufacturing of prebiotic extracts for fortification purposes could result in up to 80% cost savings compared to purchasing equivalent ingredients offsite, where the typical payback period is around four years.

This means that it would cost as little as 0.08 USD and 0.12 USD per liter fortified product to reach 6g of fiber and 3g of protein per 100g (both allowing for "high level" claims according to the European Food & Safety Authority (EFSA) if a product is low in fat and sugar content). Practically, this means that plant-based dairy products have the potential to be fortified into healthy functional products with minimal impact on the overall price, something that may also be possible for a range of other plant-based products.

The 7,500 tonnes/year processing capacity translates into roughly 4,500 tonnes of prebiotic extract (at a 60% yield) in a global market that is exceeding 1 million tonnes/year and is projected to more than double in size over the next 10 years, at a 13% CAGR. While the customer in question is considered relatively small compared to other customers in terms of both turnover and side-streams, with volumes totaling roughly 1000 tonnes/year today, they are very innovative and are in the process of expanding both in the Nordics and globally. Thus, a doubling or quadrupling of the current side-stream volumes within a short time frame is certainly possible. Carbiotix has today verified side-stream volumes of over 450,000 tonnes/yr among its current customers.<sup>(1)</sup>

We will apply the learnings from this JDA process on other customer projects, leveraging a "best in class" business case, to demonstrate the value that could be extracted from a range of similar side-streams. Moreover, while we are unable to fully control the length of JDA projects, we will also leverage

Press Release  
28 March 2025

learnings to accelerate the time to signing license agreements. One should however note that our current business model does provide a natural barrier of entry as any competitor would also need to go through the same phases outlined in our business model to be fully competitive with Carbiotix.”

#### **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 28 March 2025.*

#### **For further information:**

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**Carbiotix AB** (CRBX) ([www.carbiotix.com](http://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.