



Press Release
10 December 2020

Carbiotix selects FoodHills as location for AXOS scale up

Carbiotix (publ) ("Carbiotix") announces today that the company has selected FoodHills Fastighet AB ("FoodHills") in Bjuv Sweden as the location to scale up the production of its corn fiber extract prebiotic containing AXOS. The company plans to have a 10 ton per annum production site built and operational by Q2 of 2021. This first site will allow for a production capacity expansion to 100 tons per annum by 2022, with additional capacity expansion possibilities of up to 1,000 tons per annum on the FoodHills property. This marks an important step in the scale up of AXOS to provide samples for formulation activities, commence meaningful sales, and produce medical food grade AXOS for studies and therapeutic development activities.

FoodHills (foodhills.se) is a commercial property owner based in Bjuv, Sweden with the ambition to become a leader in circular food production (ie. food production that is innovative, sustainable and resource effective). Located at the former Findus production site, FoodHills is owned by Backahill, a company founded by Erik Paulson, and Catena.

Kristofer Cook, CEO for Carbiotix, comments

"We are extremely happy with the selection of FoodHills as the location of our first production site. FoodHills is the perfect property owner for the scale-up of AXOS and the Bjuv site is the ideal location for this to happen in terms of infrastructure and expansion potential. Our ambition to scale-up AXOS also fits perfectly FoodHills ambition to become a leader in circular food production, and hopefully with our production site, a leader in 21st century food production based on industrial biotechnology. This would be a very fitting development given the long heritage the Bjuv site has with producing food.

Our plan is to have a 10 ton per annum production site built and operational by Q2 of 2021 without any additional capital raise from the market pending the minimum stated proceeds from the 2020/2021 warrants are secured. We will use this site to provide samples and sell AXOS ingredient to food & beverage and supplement customers in markets where we have regulatory approval, as well as produce medical food grade AXOS for studies and therapeutic development activities. It is our ambition to have the Bjuv production site as Carbiotix main site for the production of medical foods and therapeutics in the medium to long term. In the short term, this first site will allow us to expand capacity to 100 tons per annum by 2022, in line with anticipated customer demand, and eventually scale up to 1,000 tons per annum at another location on the FoodHills property.

Supported by our diagnostic services, the scaling up of AXOS for different applications will become the primary value driver for Carbiotix going forward given the size of the markets we are targeting and respective margins that can be achieved. For example, the global prebiotics market is today worth over 5 Billion Euros with roughly 1 million tons of production (1), while the global market for medical foods is worth over 15 Billion Euros (2). With initial price and gross margin targets of 10 Euro/kg and 75% for our AXOS ingredient, and up to 100 Euro/kg and 95% for our AXOS medical food, our ability to scale-up and control the production of AXOS will play a major role in our overall turnover and profitability going forward. We anticipate that the learnings from early scale-up activities will help us cost-effectively expand production capacity at FoodHills and eventually scale up AXOS ingredient production to a level of 10,000 tons per annum or more with external partners in the US and Continental Europe, the latter of which we are committed to aggressively pursue once our first site is operational."



Press Release
10 December 2020

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 10 December 2020.

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.

For further information:

Carbiotix AB
Kristofer Cook, CEO
Tel: 0708-796580
E-mail: kristofer.cook@carbiotix.com

Carbiotix AB (CRBX) (www.carbiotix.com) is an award-winning biotechnology company pioneering microbiome healthcare through a portfolio of microbiome modulators covering prebiotic ingredients, medical foods and therapeutics, along with cost-effective gut health testing services.