

FOR IMMEDIATE RELEASE

Creatus Biosciences Inc. Announces Core Patent Issuance, US \$1.5 Million Financing and Successful Pilot Scale Demonstration in 2019 Year Review

Vancouver, Canada, January 27, 2020 – Creatus Biosciences Inc. (Creatus), announced today in its 2019 year review that it has received issuance of a core patent related to its Xylitol Bioproduction System by the US Patent Office. The company also announced that it closed a US \$1.5m financing and achieved pilot scale demonstration of its Xylitol Bioproduction System at an independent contract research organization.

Xylitol is a low-calorie sugar alternative, approved by the FDA in 1963, with a major use-case as a sweetener in gum. The decline of sugar and high-fructose corn syrup use, fuelled by global obesity and children’s oral health pandemics, has driven growth of alternative sweeteners. The unique properties of xylitol as an anti-microbial, anti-cavity, agent and 1-to-1 sweetness with sugar, make it an ideal substitute for sugar while reducing overall calories, improving oral health and matching bulking ability.

Creatus’ yeast-based xylitol bioprocess enables simple fermentation of xylose sugar from waste and low-value plant materials, also known as xylose hydrolysates. The technology is uniquely positioned to disrupt current chemical-based xylitol production, which is unable to use hydrolysates and requires refined xylose sugar derived predominantly from birch trees. While being environmentally unsustainable, constrained birch supply has limited xylitol market growth and restricted new entrants.

The shift from pure xylose to a xylose hydrolysate basis is made possible by the Creatus platform’s robust environmental tolerance and high rate of productivity. This presents a highly attractive opportunity to accelerate market growth and move from chemical to natural production. Long term, the ability to use renewable and abundant sources of xylose may allow competition with traditional sugar to multiply today’s market opportunity far beyond projections.

Dara Djafarian, President, Creatus, said, “The use of plant wastes to produce a healthy sweetener capable of replacing sugar on a 1-to-1 basis is very exciting. For our partners, this brings new access to a previously restricted market with significant growth potential while also providing a return on investment for hydrolysate technologies.”

Creatus has been selected as a featured technology showcase company and will be presenting at the 2020 Future Food-Tech Conference taking place in San Francisco, March 19-20. Future Food-Tech is a globally attended conference focusing on disruptive technologies in food, nutrition and sustainability sectors.

About Creatus

Creatus Biosciences Inc. is a privately held, industrial biotechnology company based in Vancouver, Canada, focused on development of industrially scalable bioprocesses. Creatus’ proprietary technology platform is based upon a novel yeast which possesses a unique physiology, enabling multiple bioproduct development in a natural and sustainable manner.

For Creatus:

Dara Djafarian
President
dara@creatusbio.com