

Creatus Biosciences Inc. acquires the exclusive option to IP Assets from Stora Enso to Commercialize Xylitol Bioproduction from Biomass

Vancouver, BC – October 20th, 2021 / Creatus Biosciences Inc. (“Creatus”) have signed a purchase agreement with Viridia, LLC (“Viridia”), a wholly-owned subsidiary of Stora Enso Oyj (“Stora Enso”) to commercialize end-to-end production of xylitol by fermentation from biomass. The agreement sees Creatus acquire the exclusive option to all IP assets of Viridia’s technology platform, which converts lignocellulosic biomass to high quality fermentable sugars and lignin.

Under the agreement, Creatus will integrate and market the Viridia technology with its own patented mixed-sugar yeast platform. The combined Creatus and Viridia technologies produce xylitol from waste feedstocks in a low-cost process. Hamilton Clark Sustainable Capital represents Creatus in seeking a buyer for the combined technology package.

“It is exciting to continue the work of Viridia, whose development of its platform has resulted in high quality fermentable sugars not seen in traditional hydrolysate technologies,” says Dara Djafarian, President of Creatus Biosciences. “By combining this process with Creatus’ highly productive xylitol-producing yeast, we enable the transition from chemical to bio-based production of xylitol, bringing it in line with attractive cost-improvements and sustainability focus of other bio-based polyols,” Mr. Djafarian concludes.

“We are pleased with our agreement with Creatus as our collaboration in the past has been very successful. We see great potential in the integration of the two technology platforms, and our efforts to pass on the value creation from the Viridia technology platform are fully in line with Stora Enso’s business strategy,” says Markus Mannström, Executive Vice President of Stora Enso’s Biomaterials division.

Xylitol demand is steadily increasing as a replacement for high-fructose corn syrup and sugar, fuelled by global obesity and children’s oral health pandemics. The unique properties of xylitol as an anti-microbial, anti-cavity, low-glycemic sweetener with 1-to-1 sweetness to sugar, make it an ideal substitute for sugar while reducing overall calories, improving oral health and matching sugar’s bulking properties. Over 65% of xylitol is used in the chewing gum industry with the largest new growth opportunities in confectionary, pharmaceutical and personal care sectors. Currently, xylitol is produced chemically using a metal catalyst from pure xylose processed from trees or food crop.

About Creatus

Creatus Biosciences Inc. is a privately held biotechnology company based in Vancouver, Canada, focused on development of industrially-scalable fermentation processes. The Company's technology platform is based upon a novel yeast which possesses a unique, mixed-sugar physiology, enabling multiple bioproduct development from fermentable sugars.

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About Stora Enso

Part of the bioeconomy, Stora Enso is a leading global provider of renewable solutions in packaging, biomaterials, wooden constructions and paper. We believe that everything that is made from fossil-based materials today can be made from a tree tomorrow. Stora Enso has some 23 000 employees, and sales in over 50 countries. Our sales in 2020 were EUR 8.6 billion. Stora Enso shares are listed on Nasdaq Helsinki Oy (STEAV, STERV) and Nasdaq Stockholm AB (STE A, STE R). In addition, the shares are traded in the USA as ADRs (SEOAY). storaenso.com

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