

Cibus 'Cements' Itself as 'Industry Leader' with Calyxt Merger

BIOTECH: Combined Companies Will Lead In Gene-Edited Ag, Sustainable Ingredients

■ By JEFF CLEMETSON

San Diego-based **Cibus** is positioning itself as the global leader in precision gene editing in agriculture and sustainable low carbon ingredients.

On Jan. 17, Cibus announced it had entered into a definitive merger agreement with Minnesota-based **Calyxt** (Nasdaq: CLXT) under which Calyxt and Cibus will merge in an all-stock transaction. The merger will create a new company called: Cibus Inc; that combines the two pioneers in agriculture-based gene editing and establishes one of the world's most sophisticated facilities platforms for trait development and next-generation plant breeding.

"It's an important moment in the growth of agricultural gene editing as a business," said Cibus co-founder and CEO **Rory Riggs**, adding that, "the scientists associated with Cibus and Calyxt were the leaders in the earliest intellectual property in gene editing in plants. This merger brings together these leading pioneers."

Riggs added that "the merger cements Cibus' position as the industry leader both its underlying technology, facilities and its pipeline of products."

Complementary Science

Although each company's scientific efforts in plant-based biology complement each other, they each have specialized in different areas. The key focus of Cibus' patented gene editing platform, the Rapid Trait Development System (RTDS), is the development of a new class of



Rory Riggs
CEO & Co-founder
Cibus

productivity traits in seeds addressing the sustainability of farming by increasing crop yields and reducing use of fungicides, herbicides, pesticides and fertilizers. Calyxt, on the other hand, uses gene editing to develop sustainable ingredi-

ents using microorganisms and its Plant Cell Matrix (PCM) technology. Renewable low carbon ingredients are central to global industries climate 2040 initiatives to reduce carbon emissions.

"Cibus is an excellent strategic fit for Calyxt given our complementary technology platforms, and the merger provides a great opportunity to leverage multiple synergies to drive innovation and shareholder value," said Calyxt President and CEO **Michael A. Carr**. "I am deeply proud of the significant accomplishments made by our team and their commitment to further science in significant ways."

Soon To Be Public

Under the terms of the merger agreement, Calyxt will issue shares of its

common stock to Cibus shareholders in an exchange ratio such that upon completion of the merger, Cibus shareholders will receive 95% of combined company and Calyxt shareholders will own approximately 5% of the combined company, subject to adjustments permitted by the merger agreement.

Cibus has a broad pipeline of productivity traits and collaborations with several leading seed companies. It is currently launching three productivity traits: one in canola and two in rice with transfers to customers for commercialization beginning in the first half of 2023. Calyxt has made significant progress in its PCM technology.

Upon closing of the transaction, which Riggs expects will happen in April of this year, the combined company will be renamed Cibus Inc. and will trade on the **Nasdaq Capital Market**. The current Cibus management team will lead the new combined organization with Riggs assuming the roles of chairman of the board of directors and CEO. The new public company will be headquartered in San Diego.

"Cibus is going to continue to be a San Diego company and a leader in its biotechnology sector for a long time," Riggs said.



Peter Beetham
President & COO
Cibus

A Very Big Year Ahead

Even without the merger and becoming a public company in the process of it, Cibus was already expecting a very big year ahead.

"We believe 2023 will be a transformative year for Cibus due to many of our major accomplishments that are coming to fruition this year," Riggs said.

In early spring, Cibus' "Trait Machine" – a seed production process in a stand-alone facility – is expected to be fully operational. The company is also preparing to transfer its first product – a pod shatter reduction trait in canola for five different seed companies. Cibus is also preparing to transfer two different herbicide resistance traits in rice for the leading North American rice seed company. Each of the three developed traits have been determined not to be regulated articles through the USDA's "Am I Regulated" process, which was replaced with

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Michael A. Carr
President & CEO
Calyxt

Cibus	CIBUS
FOUNDED: 2001 CEO: Rory Riggs HEADQUARTERS: San Diego EMPLOYEES: 200 BUSINESS: Gene-editing platform for crop seeds WEBSITE: www.cibus.com NOTABLE: Cibus' pipeline has six different traits that will be implemented in five different crop types.	

Cibus

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the SECURE Rule's confirmation process. And although the seed traits have yet to garner approval in Europe, that is another milestone Cibus expects to reach this year. "The successful development and transfer of these first traits to our customers will be an important milestone in the gene

editing industry," Riggs said. "It will also be a major commercial milestone in the growth of Cibus."

"2023 is also expected to be an important year for the regulations covering gene editing in agriculture with the European Commission and many other countries reviewing their laws for regulating certain new genomic techniques," said **Peter Beetham**, president and chief operating officer of Cibus. "Notably, the UK is on course to introduce

new laws broadly consistent with the laws from a growing list of important trading nations including the United States, Canada, Argentina, Brazil and Japan."

The European Commission is also expected to rule on gene-edited seeds this summer, potentially overturning a previous decision to lump gene-edited seed with genetically modified (GMO) seeds, even though gene edited seeds lack the inserted foreign DNA that is the hallmark of GMO plants and seeds.

"These regulatory changes, if adopted, promise to enable more open and fair trade in agriculture for these new technologies and encourage research and innovation, greatly increasing the potential of gene editing to contribute globally to sustainable agriculture, food security and climate resilience," Beetham added. "This merger positions the combined companies to be a leader in this important new industry and to accelerate our progress." ■