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Malmo, Sweden

aXichem and Canadian based lovate sign Letter of Intent regarding development and commercialization of aXivite, as ingredient in weight management supplement

aXichem AB (publ), that develops and markets natural analogue industrial compounds, has signed a Letter of Intent (LOI) with the Canadian based company lovate Health Sciences International Inc. (lovate). The purpose of the LOI is to summarize the basic terms of an agreement regarding joint research, development and commercialization of a product for weight management, containing aXichem's capsaicin analogue product, aXivite, as ingredient. The agreement also aims to provide lovate with an exclusive license to sell the new product on the U.S. market.

lovate is one of the world's leading suppliers of products for weight management. Founded in 1995 and based in Oakville, Canada, lovate is a dynamic, leading-edge nutritional company that delivers some of the highest quality, most innovative and effective active nutrition products in the world. With brand innovations like MuscleTech®, Six Star Pro Nutrition®, Purely Inspired® and Hydroxycut®, the company is committed to being the number one active nutrition and weight management supplement company in the world. lovate distributes across all major channels of distribution, including food, drug, mass and club, health food stores and online, as well as in more than 130 countries worldwide. lovate products are available nationwide in the US at GNC, the Vitamin Shoppe, Bodybuilding.com, Walmart, Target, Walgreen's, Sam's Club, Amazon.com and other fine retailers.

- I am very pleased with having entered into this LOI with lovate and I look forward to collaborate with one of the world leaders in the area of nutrition and supplements – and not least in weight management products, an area where we expect aXivite to be an excellent fit. Under the signed LOI we will jointly develop and commercialize a product ingredient for weight management aimed for the U.S. market. The LOI is valid until 1 January 2021, but both parties are eager to get started and explore the potential that both of us see in aXivite, says Lucas Altepost, Vice President at aXichem.
- We are looking forward to collaborate with aXichem in bringing this new product ingredient to the market, with the goal to add another successful brand to our already strong portfolio and help people reach their weight loss goals. aXivite, being an analogue of capsaicin, has attributes that we feel provide it the potential to add significant value in our range of weight management products, says Raza Bashir, Vice President, Scientific Affairs, Innovation & Procurement at lovate.

The U.S. market for weight management products amounted to about 66 billion USD in 2017 according *ResearchAndMarkets.com*. The global market for for weight management and weight

control products is expected to reach over 442 billion USD year 2025, with a calculated average growth rate of about 8.2% for the period according to *marketwatch.com*.

This press release has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

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aXichem's business idea is to develop, patent and market natural analogue industrial compounds. The Company primarily works with phenylcapsaicin a structural analogue of capsaicin with a wide range of applications, such as feed additives, marine anti-fouling products and certain pharmaceutical areas. aXichem's shares are listed on NASDAQ First North under AXIC A. Certified Adviser: Redeye AB Certifiedadviser@redeye.se +46 (0)8 121 576 90. Read more about the company at www.axichem.se

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