

aXichem's first delivery of aXiphen to Brazil, for industrial scale production trials, is ready to be shipped

[aXichem AB](#) (publ), an innovator in industrial feed and supplement ingredients, announces that the company's distributor Chr. Olesen has prepared the first batch of aXiphen for shipment to Chr. Olesen's facilities in Brazil from where it will be delivered to industrial scale production trials in the Brazilian market.

In December 2023 aXichem announced that it had obtained feed additive approval in Brazil for the company's natural analogue product phenylcapsaicin as a feed ingredient. The product is approved as a new raw material for zootechnical feed additive applications, to be utilized in both poultry and piglet feed. Brazil is the world's second largest producer of chicken meat, and the largest exporter.

"It is exciting to be entering the huge market for poultry and piglet feed production in Brazil. During the coming months aXiphen will prove its effect as a feed ingredient in large scale production trials managed by our local partner Chr. Olesen and supported by the aXichem team. I believe that aXiphen with its unique qualities and benefits can position itself well in this market and contribute to a sustainable, profitable, and sound meat production," says Torsten Helsing, CEO of aXichem.

"I am very pleased that the regulatory approval for aXiphen as a feed additive in Brazil now is in place. Chr. Olesen's local team has good knowledge and insights about phenylcapsaicin's potential and its ability to increase productivity in poultry production. Brazil, being the number one exporter and the second largest producer of chicken meat in the world is an ideal market for this innovative product", says Gustavo Penz, Managing Partner, Feed Division Brazil at Chr. Olesen.

About the Brazilian market for poultry production

According to "Brazil: Poultry and Products Annual" published by Foreign Agricultural Service at U.S. Department of Agriculture (September 13, 2023), Brazil is the second-largest chicken meat producer in the world after the United States, and the largest chicken meat exporter in the world. Post forecasts chicken meat production will increase three percent by the end of 2023 and reach 14.9 million metric tons (MMT). Production is expected to increase one percent in 2024, reaching nearly 15.1 MMT. These forecasts are a record for Brazil and are based on strong external demand, socio-economic performance, and improved costs of production. Brazil is working to open new markets and increase product diversity in existing markets.

About phenylcapsaicin and aXiphen

The health benefits of chili, with its active ingredient capsaicin have been known for centuries. aXichem's proprietary molecule, phenylcapsaicin, combines the naturally occurring phenyl group with

capsaicin, bridged by a triple bond. The result is an innovative natural analogue capsaicin with high purity, where the pungency is greatly reduced.

Production tests and studies have proven the effectiveness of aXiphen® as an ingredient in poultry feed. A production test on on-floor salmonella prevalence, following the inclusion of 15 ppm phenylcapsaicin in a regular starter diet, was carried out in a full-scale commercial broiler production trial under farming conditions. The production test included about 1.6 million broiler chickens. The trial concluded that under the conditions of the test, the inclusion of 15 ppm phenylcapsaicin in broiler chicken feed statistically significantly reduced the number of farms with salmonella-positive floor boot swabs. The European model for production efficiency, EPEF, showed that breeding efficiency increased by 14% compared to traditional feeding.

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About aXichem

aXichem develops, patents and markets natural analogue industrial chemicals, i.e., synthetically produced substances that have similar and comparable properties to natural substances. The company's first product is phenylcapsaicin, which the company commercializes under two brands, aXiphen® and aXivite®, as an ingredient in animal feed and dietary supplements, respectively. The business is divided into three market areas with different applications for phenylcapsaicin: as an ingredient in feed for poultry, such as chicken and turkey; as an ingredient in food supplements for gut health, weight control and sports and exercise; and as an ingredient in food supplements for the bio-enhancement of curcumin and melatonin. aXichem is listed on the Nasdaq First North Growth Market. Certified advisor for aXichem is Västra Hamnen Corporate Finance AB. More information is available at www.axichem.com.