



The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

23 April 2019

Tekcapital Plc
("Tekcapital", the "Company" or "the Group")
Portfolio Company Update:

Salarius launches production of MicroSalt® and secures first commercial order

Tekcapital Plc (AIM: TEK), the UK intellectual property (IP) investment group focused on creating marketplace value from investing in university technology, is very pleased to announce that its portfolio company Salarius Ltd. has launched production of MicroSalt® and secured its first customer to incorporate MicroSalt® in their snack food business.

Salarius is the developer and manufacturer of a remarkable new, proprietary low sodium salt called MicroSalt®. MicroSalt® is made with very small salt particles that have a large surface area-to-volume ratio. This creates a salty taste whilst using significantly less salt.

The initial order is from a US snack food producer and Salarius expects to dispatch the MicroSalt® in May 2019.

Market Information

According to the World Health Organization¹, cardiovascular disease takes the lives of 17.9 million people per year and is responsible for 31% of global deaths. In the U.K., there are about 160,000 deaths from heart disease each year accounting for 26% of all deaths.²

High blood pressure is a key risk factor for developing heart disease.

On 5 March 2019, a new report from the National Academies of Sciences, Engineering, and Medicine recommending reduced sodium consumption guidelines.³ This report introduces Chronic Disease Risk Reduction (CDRR) intakes for sodium. According to the National Academies of Sciences, Engineering and Medicine:

"There is sufficient evidence to characterize the relationship between sodium intake and risk of chronic disease. Therefore, the committee established a Chronic Disease Risk Reduction Intake (CDRR) for sodium using evidence of the beneficial effect of reducing sodium intake on cardiovascular disease risk, hypertension risk, systolic blood pressure, and diastolic blood pressure. Reductions in intakes that exceed the sodium CDRR are expected to reduce chronic disease risk within the apparently healthy population. For individuals ages 14 and older, the CDRR recommendation is to reduce sodium intakes if above 2,300 mg per day. The committee also established a sodium CDRR for children ages 1-13."

The report also states: *"Reducing sodium intake has a greater effect on adults with hypertension than on adults with normal blood pressure, but the benefits of reducing sodium intake toward the sodium CDRR or below apply to both groups."*

The low sodium ingredient market is estimated to reach US\$1.76 billion by 2025 with a CAGR 11.7%⁴. The highly competitive global savory snacks market is expected to reach \$US108 billion by 2021⁵. We believe both markets could immediately benefit from the availability of MicroSalt®.

Victor Hugo Manzanilla, CEO of Salarius, said:

“We are thrilled to announce the launch of the production and the first sales of MicroSalt®, a practical and revolutionary solution that significantly reduces sodium in snack foods, without reducing the salty flavor consumers enjoy. We know that “flavor is everything” in the snacks industry, so we developed a salt that does not compromise on flavor, while simultaneously addressing the critical need to reduce sodium.

Consumers are aware of the need to eat healthier and select better-for-you options when available. MicroSalt® will help manufacturers worldwide take a leadership role in reducing cardiovascular disease by enhancing the nutritional content of their products. MicroSalt® is non-GMO and all natural. In addition, the small size of MicroSalt® provides better adhesion to the food surface, reducing the amount of salt that falls off products during transport and display, reducing waste and helping to ensure a consistent flavor profile.”

Dr Clifford Gross, Executive Chairman at Tekcapital, commented: “We are delighted that Salarius has launched commercial production of MicroSalt® and has secured its first customer order to incorporate MicroSalt® into their snack food business. This is a major milestone for the company and is the result of the terrific work of Victor Manzanilla, CEO of Salarius, and his capable team.

Victor formerly served as Marketing Director at Office Depot and Home Care Marketing Innovation Manager and Brand Manager at Procter & Gamble. His extensive prior experience has well prepared him to rapidly grow Salarius and globally commercialise MicroSalt®. This underscores a basic tenant of Tekcapital: when you combine compelling intellectual property with star power management, significant marketplace value can be achieved.

MicroSalt® has the potential to empower companies worldwide to make healthier snacks that reduce sodium consumption for their customers. We believe that Salarius will be successful in not only building a vibrant business, but in making a dent in helping to reduce cardiovascular diseases, the leading cause of death in the world⁶.”

Tekcapital owns 97.5% of the share capital of Salarius.

About Salarius Ltd

Salarius is the developer and manufacturer of a proprietary low sodium salt called MicroSalt®. Salarius is passionate about improving lives with healthier food and is taking the lead in the industry by providing the best low-sodium salt solution, based on the mechanical transformation of the salt particle itself. This solution is the only one that delivers real salt flavor, because it is salt. The technology produces salt crystals that are approximately one hundred times smaller than typical table salt, delivering a powerful saltiness as the micro-grains dissolve in the mouth, with approximately 50% less sodium consumption. To learn more please visit <https://salarius.co>.

About Tekcapital plc

Tekcapital creates value from investing in new, university-developed intellectual properties and provides a range of IP investment services to make it easy for organisations to commercialise university-developed technology. Tekcapital is quoted on the AIM market of the London Stock Exchange (AIM: symbol TEK) and is headquartered in Oxford, in the UK. For more information, please visit www.tekcapital.com

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References

¹ https://www.who.int/cardiovascular_diseases/en/

² <https://www.bhf.org.uk/for-professionals/press-centre/facts-and-figures>

³ <http://www8.nationalacademies.org/onpinews/newsitem.aspx?RecordID=25353>

⁴ <https://www.futuremarketinsights.com/reports/sodium-reduction-ingredient-market>

⁵ <https://zmrindustryjournal.us/8402/savory-snacks-market-size-share-expanding-across-the-globe-by-2016-2024/>

⁶ <https://www.who.int/en/news-room/fact-sheets/detail/the-top-10-causes-of-death>