



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.

2 April 2020

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

MEXICO ADOPTS NEW SODIUM REDUCTION GUIDELINES

Tekcapital Plc (AIM: TEK), the UK intellectual property investment group focused on improving quality of life and creating marketplace value with university technology, is very pleased to announce that the Mexican Ministries of Health issued a final rule ([NOM-051](#)) on 27 March 2020 that mandates a new front of package labeling (FOPL) system for all packaged foods. This FOPL is designed to warn consumers against products that exceed strict thresholds for sodium, caloric content, added sugar and saturated fats.

Under the new rule, salty snack brands will need to prominently add the warning "Excess Sodium" ("Exceso de Sodio") if the product exceeds 350 milligrams of sodium per 100 grams of product. The implementation date for the FOPL warnings is 1st October 2020, with the more stringent nutritional threshold of $\geq 300\text{mg}$ starting 1st October 2023.

Mexican snack manufacturers are now being challenged to reduce sodium levels without impacting the taste of their products. In the snack industry, where flavor is everything, manufacturers are faced with the potential of new warning labels decreasing their sales if they don't reduce sodium, and if they do, it will also negatively impact sales due to a less savory product.

MicroSalt®, an all natural, proprietary salt made with micron-sized particles that dissolve in the mouth significantly faster than regular salt, delivers an increased sensation of saltiness with approximately 50% less sodium. In light of this new regulation, the directors believe that MicroSalt provides a solution to reduce sodium content without compromising flavor, compared to other sodium reduction methods which adversely affect taste.

Victor Hugo Manzanilla, CEO of Salaris said, *"We are excited to see the commitment of the Mexican government to inform consumers and make it easier to select healthier products. There is a serious need for full flavor, low-sodium solutions in the food industry, and MicroSalt® can help meet this challenge. Salaris is already in discussions with several leading snack manufacturers to serve the Mexican market."*

Market & Health Information

The Mexican snack food market is expected to register approximately \$4 billion in sales in 2020 and is rapidly growing¹.

Hypertension (high blood pressure) is the number one cardiovascular risk factor and the world's greatest risk factor for death and disability, according to the World Health Organization. People with hypertension are three times more likely to die from heart disease and four times more likely to die from stroke². In Mexico, with a population of 126 million, there are 22.3 million hypertensive adults².

Dr Clifford Gross, Executive Chairman at Tekcapital, commented: “We are very glad to see the inspired action of the Mexican government to encourage sodium reduction in packaged foods. We believe this represents a significant opportunity for Salarius to access a large market for potential future sales of MicroSalt®.”

Tekcapital owns 91.7% of the share capital of Salarius Ltd.

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. Additionally, the ultra-small particle size enhances product adhesion, which reduces waste and provides enhanced flavor consistency. 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

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