

Axfood

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Axfood, Dafgårds, and NitroCapt collaborate on Swedish green fertilizer – pilot project to produce one million loaves of bread with reduced climate impact

The grocery retailer Axfood, food producer Dafgårds, and innovation company NitroCapt have signed an agreement to create a sustainable supply chain from farm to store. The collaboration involves Axfood and Dafgårds investing in reducing the carbon footprint of grain production at the agricultural stage by using NitroCapt's green nitrogen fertilizer. The grain will be used to produce flour sufficient for one million loaves of bread, with a significantly lower climate impact.

Food accounts for about one-third of global climate-impacting emissions, and one of the largest sources of emissions in agriculture is nitrogen fertilizer. Axfood and Dafgårds are committed to contributing to fossil-free agriculture in the long term. By using NitroCapt's green fertilizer, farming with reduced emissions becomes possible, enabling Axfood and Dafgårds to offer products with a smaller environmental footprint. The collaboration also strengthens Sweden's food security by initiating domestic fertilizer production.

The fertilizer is entirely independent of imported raw materials, as it only uses air and renewable energy in the nitrogen fixation process. NitroCapt has developed a groundbreaking technology that eliminates the need for fossil fuels in nitrogen fertilizer production, drastically reducing total emissions. The process is patented.

"Our innovative technology enables a dramatic reduction in agricultural emissions. We look forward to collaborating with Axfood and Dafgårds, who will play a central role in the supply chain by ensuring that this impact reaches all the way from farmer to store, providing consumers with more sustainable choices," says **Gustaf Forsberg**, CEO and co-founder of NitroCapt.

The grain grown with the green nitrogen fertilizer will be used to produce flour sufficient for around one million loaves of bread, which Dafgårds will bake at its bakery in Källby and sell in Axfood stores.

"With fertilizer produced using renewable energy, fossil emissions in agriculture can be reduced. At Axfood, we aim to support and scale up sustainable initiatives so they can reach store shelves and consumers. This is crucial for creating a more sustainable food system with lower climate impact," says **Åsa Domeij**, Head of Sustainability at Axfood.

"We are proud to take another step toward a sustainable supply chain from raw materials to customers, together with our partners. By using fertilizer produced with renewable energy, we can reduce the climate impact of grain production already at the agricultural stage, strengthening our commitment to baking bread from Swedish raw materials with a natural connection to sustainability. Proximity to both raw materials and customers is crucial, and this collaboration shows how we can manage resources to meet the challenges of the future," says **David Eriksson**, Business Area Manager for Bread and Baked Goods at Dafgårds.

NitroCapt plans to have its first full-scale production facility operational by 2027, capable of supplying up to 80,000 hectares of farmland with green nitrogen fertilizer. A pilot facility has been in operation in Uppsala since May 2024.

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About NitroCapt

Founded in 2016 by Gustaf Forsberg and Peter Baeling, NitroCapt has quickly become one of the most recognized companies in green agricultural technology. Its groundbreaking patented process, SUNIFIX®, uses oxygen instead of hydrogen to bind nitrogen, powered by renewable electricity with highly competitive energy efficiency. This makes the company's green nitrogen fertilizer, SUNIFER®, the most economical on the market. NitroCapt's main investors include LRF Ventures, Almi Invest Greentech, and EIT InnoEnergy. NitroCapt is supported by the EU's LIFE program, EIP Agri, and the Swedish Energy Agency.

For more information, visit: www.nitrocapt.com

About Dafgård

Gunnar Dafgård AB is Sweden's largest family-owned company in the food industry. The company produces, sells, and distributes frozen and chilled foods for restaurants, large kitchens, and the consumer market. All cooking takes place at the kitchen in Källby, located just outside Lidköping. The company has a turnover of approximately SEK 4.5 billion and employs around 1,400 people.

About Axfood

Axfood aims to lead in affordable, good, and sustainable food. The company includes retail chains such as Willys, City Gross, and Hemköp, as well as Tempo, Handlar'n, and Matöppet. Wholesale sales are conducted through Snabbgross, and Dagab is responsible for the group's product development, purchasing, and logistics. Axfood also includes Urban Deli and part-owned companies Apohem and Eurocash. Together, the group has over 15,000 employees and a turnover of over SEK 80 billion. Axfood's shares have been listed on Nasdaq Stockholm since 1997, and its principal owner is Axel Johnson AB.

Learn more at: www.axfood.se