

NextFerm Technologies announces a \$3 million Supply agreement for its vegan protein: ProteVin™

A 4.5 years supply agreement with Spacemilk, an American health and sports nutrition brand

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(Yokneam Illit, August 8, 2022) – NextFerm Technologies Ltd. (TASE:NXFR), a food-tech company developing ProteVin™, a vegan, fermentation-based, non-GMO protein alternative and other innovative yeast-based nutrients, announced today that it has entered into a 4.5 years supply agreement totaling approximately \$3 million with Spacemilk, an American vegan health and sports nutrition brand. This agreement includes the initial supply of protein in the amount of few tons carried out in June 2022.

As reported to the company, Spacemilk is expected to launch in the fourth quarter of 2022 and for the first time in the U.S., a vegan sports nutrition protein powder based on ProteVin™. The agreement stipulates that Spacemilk will promote the ProteVin™ brand on the product packaging, as it is the dominant nutritional component underlying the product.

The agreement includes a mutual commitment to purchase and supply ProteVin™ totaling approximately \$1.6 million from July 2022 until the end of June 2025, and an estimation of an additional purchases of \$1.4 million by the end of 2026. It should be noted that until the expected operation of the expanded production facility in 2023, the Company will supply protein in the amount of few tons.

The company is making progress in its strategic plan and in achieving the other goals it set for itself for 2022, including:

- Generating demands and receiving additional purchase orders. The company presents the product at exhibitions of raw materials for food and dietary supplements in the US, Europe and Asia and accelerates launching efforts. Currently, the company has a base of potential customers, including global food, dietary supplement companies that are in various stages of evaluating ProteVin™ and integrating it into a variety of vegan products.

- Expanding ProteVin's production capacity from an initial capacity of tens of tons per year, to a scale of hundreds of tons per year in 2023 which expected to begin during the second half of 2022.

Boaz Noy, Chief Executive Officer of NextFerm, said: "We are pleased to announce the first multi-year supply agreement for ProteVin™. This is an important step towards realizing the company's vision of positioning ProteVin™ as a leading vegan protein in the thriving global alternative protein industry. ProteVin™ is gaining a lot of interest from global food and dietary supplement companies and is currently being tested by dozens of potential customers.

This customer base continues to grow and is expected to yield the company the following agreements. At the same time, we are preparing to increase production capacity to a scale of hundreds of tons in 2023, to meet the demand."

Walter Ross, Chief Executive Officer and Founder of Spacemilk, said: "Based on my background and experience in sports nutrition - as a business owner, personal trainer, and consumer in the industry, I can say that ProteVin™ is everyone's perfect protein. ProteVin's unique qualities provide amino acid content like whey, ethics and sustainability superior to plant proteins, and a flavor profile that's better than both. My company, Spacemilk, only sources the highest quality, cleanest, and most sustainable and effective ingredients, which made developing our flagship product with ProteVin™ an easy choice. We're excited to take ProteVin™ and be first to market with a new category of protein powder, which we believe will replace large sections of the plant and animal nutrition industry today."

About NextFerm Technologies

NextFerm Technologies, traded on the Tel Aviv Stock Exchange (TASE:NXFR) is a food-tech company engaged in the research, development, manufacturing and marketing of innovative, functional and vegan yeast-derived, non-GMO protein alternatives for various applications in the food and food supplement markets and the growing market for animal-derived protein alternatives.

NextFerm's flagship product is ProteVin™, a vegan, yeast-derived protein with animal-like nutritional value (Amino acid profile BCAA=21%, Leucine=9%, EAA=53% and high digestibility PDCAAS=1) and a neutral flavor. ProteVin™ is designed for a variety of categories in the alternative protein market, which is estimated at USD 20 billion in terms of final products and at USD 3.5 billion in terms of raw materials with an annual growth rate of above 20%, including milk and dairy substitutes, meat substitutes and additional categories such as infant nutrition, adult nutrition, and sports nutrition.

Another product currently being sold is Astaferm[®], an innovative astaxanthin-based antioxidant derived from yeast that has been sold in the US since the end of 2020 through well-established and leading brands in the food supplement market in the US. In July 2021, the Company received Regulatory marketing approval in Canada.

The company has additional products which have been licensed to Lallemand, a global giant focused on yeast.

For more information, visit the NextFerm website at: www.nextferm.com

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This announcement also includes forecasts, projections, assessments, estimates and other information which refer to future events and matters, the realization of which is uncertain and not exclusively under the Company's control (forward-looking information). The main facts and data used to support this information are facts and data regarding the current position of the Company and its businesses (including the scope of sales and levels of profitability, manpower, commercial engagements and more), facts and data regarding the current global position of the Company's operating segments (including industry-specific financial developments, environmental regulatory developments, the competitive environment, technological developments, the reinsurance market and more), and macro-economic facts and data (including the economic situation both in Israel and around the world, yields in the capital markets, social and state developments and more), all as known by the Company when publishing this announcement. The forward-looking information included above in this announcement is significantly based upon, in addition to the existing information held by the Company, on the Company's current assessments and expectations of future developments vis-a-vis each one of the aforementioned parameters, and the interconnectedness of each one of these developments. The Company has no certainty that its forecasts and assessments will indeed eventuate, and the Company's operating results may be materially different than the results assessed or implicit based on that set forth above, inter alia, as a result of a change in any of the aforementioned factors.

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