

NextFerm Technologies announces a strategic manufacturing agreement for the production of ProteVin™, its vegan protein, with a subcontractor in Europe

This marks the achievement of its third strategic milestone, out of five, set for 2022

The commissioning of the plant will be completed in the second half of 2023 with an annual production capacity of about \$10M, with future expansion capacity to tens of millions of dollars per year

The subcontractor will bear the costs of constructing the plant's building and will provide all infrastructure and production services as well as the baker's yeast necessary to produce ProteVin™. The company will bear the costs of purchasing and installing the equipment necessary for production

The product was launched to several customers and the company has a wide range of food and dietary supplement companies including global companies, who are examining the integration of ProteVin™ in a variety of alternative products

(Yokneam Illit, September 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 a strategic manufacturing agreement for the production of ProteVin™ with a subcontractor in the Balkan region in Europe. This marks the achievement of the company's third strategic milestone (out of five) set for 2022.

According to the agreement, the manufacturing plant will enable, at first stage, the production of ProteVin™ with an annual capacity of up to \$10M starting the second half of 2023. The plant commissioning plan enables a future expansion of the capacity to tens millions of dollars. This plant is expected to replace the current pilot production plant in GFR Canada.

The subcontractor will establish the plant and will provide the production services as well as the baker's yeast necessary to produce ProteVin™. The company will bear the costs of purchasing and installing the equipment necessary for production.

The Company estimates that the necessary investment needed for the completion of the manufacturing plant and reaching the above mentioned capacity will be approximately \$6M. The main equipment needed for the plant was already ordered.

The agreement relates only for production services and doesn't include IP transfer to the subcontractor.

Boaz Noy, Chief Executive Officer of NextFerm, said: "This manufacturing agreement for the production of our vegan protein is an important milestone for our Company and represents the transition into an industrial company in the field of alternative proteins. The plant was designed in a way that would allow investment in the production capacity in accordance with the increase in demands. ProteVin™ is the only alternative protein on the market today with a neutral taste and an animal-like nutritional value, and we believe it will become a leading solution in the global alternative protein industry."

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

Legal Notice Regarding Forward-Looking Statements

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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