



## **NextFerm Technologies announces a commercial manufacturing agreement for the production of ProteVin™, its vegan protein, with Kothari Fermentation and Biochem, a subcontractor in India**

**In the first stage, the production setup will enable an annual production capacity of \$4M in revenues**  
**The completion of the production setup is expected during the fourth quarter, 2023**

(Yokneam Illit, July 5, 2023) – 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 commercial manufacturing agreement with a subcontractor in India, [Kothari Fermentation and Biochem](#), for the production of ProteVin™. The agreement relates only for production services and doesn't include IP transfer to the subcontractor.

The company's management has worked diligently to find a solution to establish a production setup that will be in line with its financial means, so that, in this stage, this agreement replaces the establishment of the manufacturing plant with the subcontractor in North Macedonia, and will allow the company to supply market demands with a lower investment than planned and with the ability to increase future capacity. In the first stage, the production setup will enable an annual production capacity of \$4M in revenues. In addition to the production equipment that the company has purchased so far, the Company estimates that the necessary investment needed for the completion of the production setup and the purchase of the production equipment for the first stage will be approximately \$2M. This investment will be financed from the company's own resources.

The completion of the production setup is expected during the fourth quarter, 2023. The building in which the production facility is planned to be built already exists and has needed utilities, and most of the equipment needed to operate it has already been purchased by the company and/or is in the possession of the subcontractor and is available for the company's use.

Starting 2023, five food and dietary supplement companies in the USA and Europe have launched vegan products based on ProteVin, including [Swanson](#), one of the leading and veteran nutritional supplement brands in the USA, [Spacemilk](#) and [Mushroom Design](#). In the five products, the ProteVin™ brand is labeled

on the packaging. The company has a wide and growing base of food and dietary supplement companies, including global companies, that are examining ProteVin for use in a variety of alternative products.

In addition to ProteVin, the production facility in India will allow the company to also produce and market the by-product Yeast Extract, which is obtained in the production process of the protein. This product is an ingredient that enhances taste and flavor in the food industry.

The company has developed a first generation of Yeast Extract based on a unique technology developed by the company (a yeast strain and unique processes) that contributes to the quality of the Yeast Extract products and the profitability of these products.

The Yeast Extract market is estimated at approximately \$1.9 Billion in global annual sales, with a growth of approximately 8.7% which is influenced, among others, by the growth of the alternative food market<sup>1</sup>. This is one of the most important and largest categories in the flavors market.

**Boaz Noy, Chief Executive Officer of NextFerm, said:** "In past few months, we have focused on finding an efficient and flexible production alternative to the production facility that was planned to be established in North Macedonia, which will be in line with the company's capabilities and financial resources. The production setup that will be established in India will allow us to meet the growing demand for ProteVin, with a lower investment than planned with the ability to increase future capacity. 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. In addition, the company will be able to initiate the production and launch of Yeast Extract, which is a vegan food ingredient that enhances taste and flavor and with a high and growing demand in the food industry."

### **About Kothari Fermentation and Biochem**

Kothari Fermentation and Biochem, traded on the Bombay Stock Exchange (BSE:KFBL.BO) is a manufacturer of baker's yeast, Instant Yeast, Active & Inactive Dried Yeast, Cell walls, yeast extract, alcohol yeast and other yeast based products.

For more information, visit the Kothari website at: [www.kothariyeast.in](http://www.kothariyeast.in)

### **About NextFerm Technologies**

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<sup>1</sup> <https://www.fortunebusinessinsights.com/yeast-extract-market-106656>

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. The Company launched ProteVin™ and initiated marketing and supplying the product in second quarter of 2022.

For more information, visit the NextFerm website at: [www.nextferm.com](http://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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