

NextFerm Technologies

Corporate Presentation

August 2021

TASE: NXFR

Changing The World With Better Nutrition



Disclaimer

This presentation is intended for the provision of non-comprehensive information for the sake of convenience solely. You are hereby referred to the full prospectus and immediate and periodic reports filed by the company with the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd. for information regarding the Company's activities and the risks entailed thereby, including warnings regarding forward-looking information, as defined in the Securities Law, 5728-1968, that is included therein. In case of any discrepancy between the information contained herein and the information contained in the official reports of the Company to the Israeli Securities Authority and the Tel Aviv Stock Exchange, the information recorded in such reports shall prevail.

This presentation may include forward-looking statements and forward-looking information, including, but not limited to developments, outlooks, projected economy measures, etc.. Such forward-looking statements and information are based on the current assumptions, intentions and plans of the Company. The forward-looking information in the presentation is subject to risks and uncertainties and may not materialize, in whole or in part, or may materialize significantly differently than as predicted, or may be affected by various factors, including factors that are not under the Company's control or such that cannot be estimated in advance. The Company makes no representation or warranty of any kind with respect to such information. For the avoidance of doubt, it is clarified that the Company does not undertake to update and/or modify the information included in this presentation to reflect events and/or circumstances occurring after the date of preparation of the presentation.

This presentation does not constitute an offer, invitation or recommendation to purchase, sell, subscribe for or do any transactions in the securities of the Company, in any jurisdiction, and the information provided in this presentation is not a basis for the making of any investment decision, nor a recommendation or opinion, nor a substitute for the discretion and independent analysis of any potential investor.

This presentation includes information from public sources, which was not independently examined by the Company and the Company is not liable as to its accuracy.

NextFerm



Experienced team in the food Industry



Breakthrough Technology



ProteVin™ Revolutionary Protein

Yeast Derived Vegan Protein

Animal-like Nutritional Value

Neutral flavor (unlike typical plants-based
proteins)



Commercialized Products



Significant Revenue and Profit Potential



NextFerm



Experienced Team in the Food Industry

Company management is comprised of former Senior Management of Enzymotec, which developed innovative ingredients within the world of nutrition. Enzymotec reached revenues of over **\$80M** and went public (NASDAQ) during 2013, with a market cap of **\$300M**



Working Together for Over 15 Years



Yossi Ohana

CFO

Former VP Finance of
Enzymotec



Boaz Noy

CEO and Director

Former Sr. VP and Head of the
BioActive Ingredients Division
at Enzymotec



Yossi Peled

Chairman

Former Chairman and board
member of Enzymotec and
Former CEO of Galam



Yoni Twito

COO

Former COO of Enzymotec



Arkadiy Haikin

VP of Engineering

Former Chief of Engineering
of Enzymotec



Gai Ben Dror

VP of Process Development

Former VP of Process
Development of Enzymotec



Elzaphan Hotam

CEO of NextFerm USA

Former CEO of Enzymotec
USA

NextFerm



Breakthrough Technology

For producing yeast-derived, innovative, functional vegan food ingredients based on:

- **Non-GMO** Strain improvement
- Fermentation
- Purification and extraction of food ingredients





Commercialized Products

- ✓ **ProteVin™:** Nearing commercialization.
Vegan protein with an animal-like nutritional value and neutral flavor
 - ✓ Successful Industrial Pilot completed
 - ✓ First PO from a US customer
 - ✓ Expected commercial launch in 2022
- ✓ **AstaFerm®:** Novel & powerful astaxanthin antioxidant:
 - ✓ Launched in US & Canada
 - ✓ Established profitable supply chain
- ✓ **2 yeast strains:** licensed to Lallemand Inc., a global leader in yeast and bacteria



PROTEVIN™

astaferm®

NextFreeze™

Biofuel



Significant Revenue and Profit Potential

Based on its innovative technology and products developed and commercialized, the company expects significant revenue and profit.



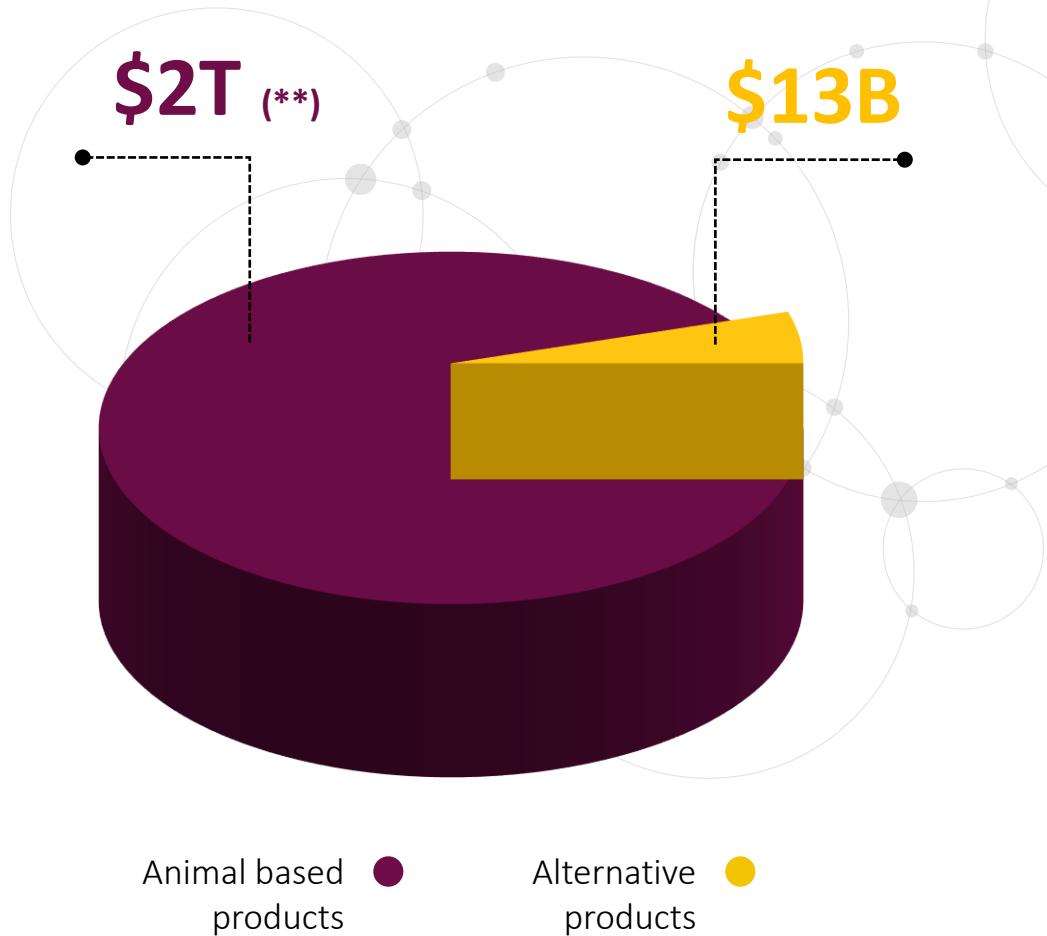
The Need: In the Future, Feeding The World on Animal Protein-based Nutrition Only, Will Be Impossible

- World population is continuously growing and is expected to reach ~10B by 2050(*)
- The traditional livestock protein industry has a major negative effect on the environment, and is under global pressure to reduce activity and its related pollution
- Therefore, animal-based food (meat, dairy, fish, eggs) wouldn't suffice to provide future demand for protein
- Current market protein alternatives are plant-based proteins, which provide inferior nutritional value and "off flavor" compared to animal-derived proteins



(*) <https://www.un.org/development/desa/en/news/population/world-population-prospects-2019.html>

The Business Opportunity



The alternative protein food market is estimated at around **\$13B /year** (*)



The alternative protein market is **less than 1%** of animal-based products market



Each additional 1% of conversion = **\$20B** additional market-share

(*) <https://www.globenewswire.com/news-release/2020/02/26/1991190/0/en/Alternative-Proteins-The-Market-at-the-Cusp-of-Multi-billion-Dollar-Growth.html>

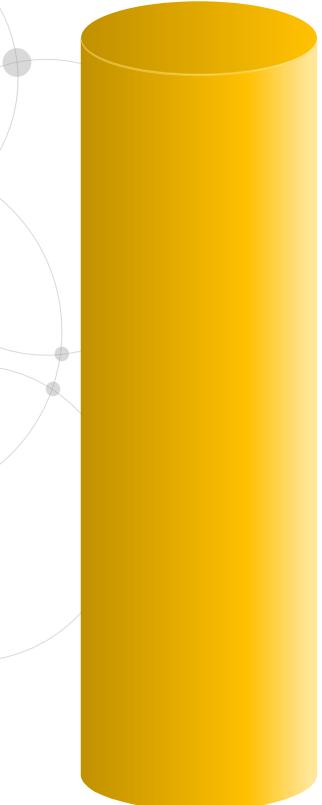
(**) <https://www.statista.com/statistics/502280/global-dairy-market-value/>

<https://www.businessinsider.com/meat-substitutes-impossible-foods-beyond-meat-sales-skyrocket-2019-5>

Alternative Protein Market Growth

% Yearly Growth

9.5% (*)



Alternative Protein
Market

2.9% (**)

Food
Market



(*) <https://www.globenewswire.com/news-release/2020/02/26/1991190/0/en/Alternative-Proteins-The-Market-at-the-Cusp-of-Multi-billion-Dollar-Growth.html>

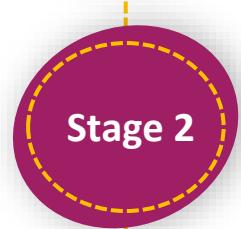
(**) <https://www.globenewswire.com/news-release/2020/10/20/2110853/0/en/Global-Food-and-Beverages-Market-Forecast-to-Grow-to-6111-1-Billion-in-2020-at-a-CAGR-of-2-9-from-2019.html>

Comprehensive Business Strategy

Business model:



Commercialized products that will become a growth and profit generating engine



Launch of ProteVin™ revolutionary vegan protein



Expansion of protein uses to new applications and territories:
Dairy and Meat substitutes and Powder Formulas for the Infant,
Well being and Sports nutrition markets



Develop and Launch additional precise fermentation-based protein products



Fermentation

The Efficient Way to Produce the Food of the Future

Fermentation is the technology which grows yeast on industrial scales.

Yeast and its derived products are an important source for alternative proteins.

Fermentation

The Efficient Way to Produce the Food of the Future

 Closer to animal sources

 Highly sustainable

 Technology enables quick & dramatic improvements

 Economically feasible

“Fermentation can help build a more efficient and sustainable food system – here’s how”

- *World economic Forum, 11-2020 - Fermentation: the next frontier of alternative proteins | World Economic Forum (weforum.org)*

The Future of Proteins Starts Here

PROTEVIN™
NextFerm



Vegan Yeast-based Protein

The Future of Protein
Starts Here
PROTEVIN™

Advantages:

- Neutral flavor and taste – the most important value for consumers
- Animal-like nutritional value; Non-GMO
- Broadly applicable: dairy and meat substitutes & Powder formulas
- Competitive pricing
- Sustainable
- Short time to market
- No allergens or impurities
- Regulation is open in the USA, Europe and other territories



The Best Vegan Alternative

Protein Source	ProteVin™	Whey	Soy	Pea & Rice
 Vegan Source	+	-	+	+
 No Allergens/impurities	+	-	-	-
 Sustainability	++	-	+	+
 Taste & Flavor	++	++	+	-
 Amino Acid Composition (AA)	++	++	-	-
 Digestibility	++	++	+	+

ProteVin™- Initial Feedbacks From Key Accounts



“...The Protein has no flavor, reminding of Casein and disperses well in water...”

- Large Israeli-based food manufacturer

“...The Protein produced in the industrial pilot is wonderful, without off flavor, and great dispersibility. Well-done for the successful scale-up...”

- Israeli formula producer

“..... You were right I am a huge fan....”

- Plant-coffee creamers brand -

“.... I tried out the sample today and really liked it. It was essentially tasteless which is perfect for product development....”

- Innovative nutritional products company

“..... The taste was much better than the other yeast protein I have tried...”

- A leading Well-Being brand -

“...I tasted both already....
both have clean flavor...”

- US sports nutrition protein brans owner and subcontractor -



Company Target Market: Vegan Protein Powders

An essential source for all
animal alternative products

Vegan protein powders market (B2B)

\$2.2B (*)

Annual Sales

9.5%

Annual Growth

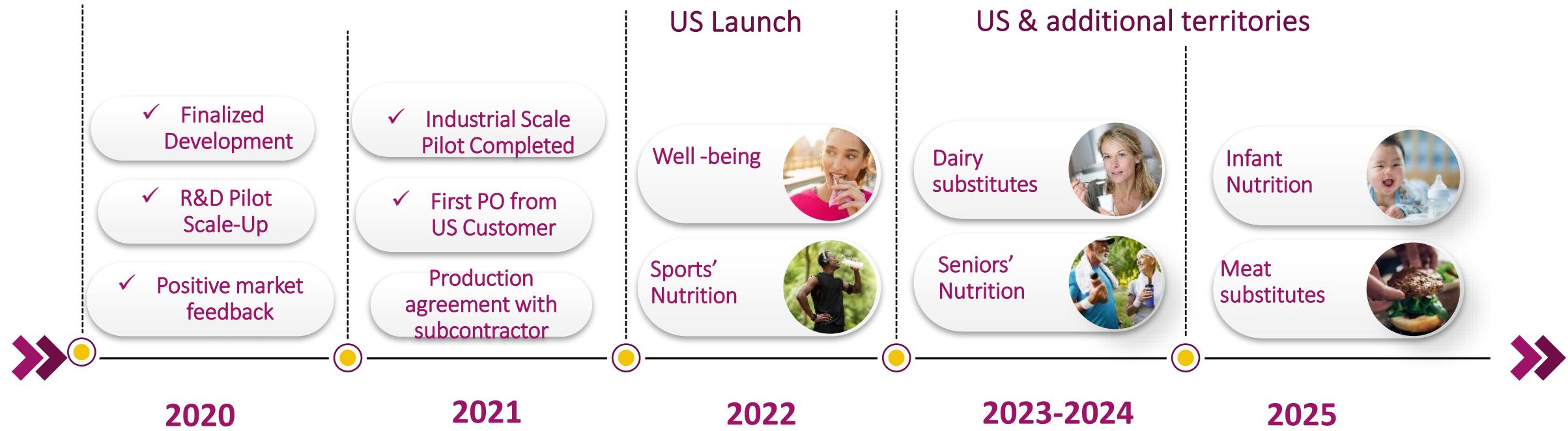
\$13B

Alternative
products
(B2C)

(*) <https://www.mckinsey.com/industries/agriculture/our-insights/alternative-proteins-the-race-for-market-share-is-on>



ProteVin™ - Milestones



Fundamentals For Success



Production &
Sales
infrastructure



Technology



Our Technology – The Key for Value Proposition



Yeast improvement (Patented, Non-GMO)

Improvement of yeast characteristics for either elevated expression of specific metabolites, stress resistance, and yield

Fermentation

Process optimization for economical production of the improved strain biomass

Separation & Purification

Development of efficient purification process for obtaining the desired ingredients applicable to food or dietary supplement

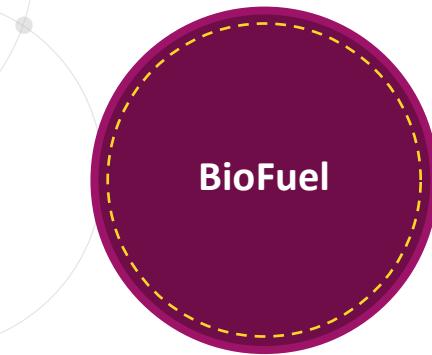
SCALE-UP

Implement the fermentation and purification processes to full production scale

Patents and Regulation

			
Patents	EU: Granted for strain Under evaluation in additional territories	PCT filed for Strain and for process composition	Under work
Regulation	Open for global marketing	Open for marketing in the US (Self GRAS) and in Canada	Open for marketing in US, EU and other countries

Commercialized products



INNOVATION



2019

\$2.75M down payment obtained as part of licensing agreement

LALLEMAND

2020

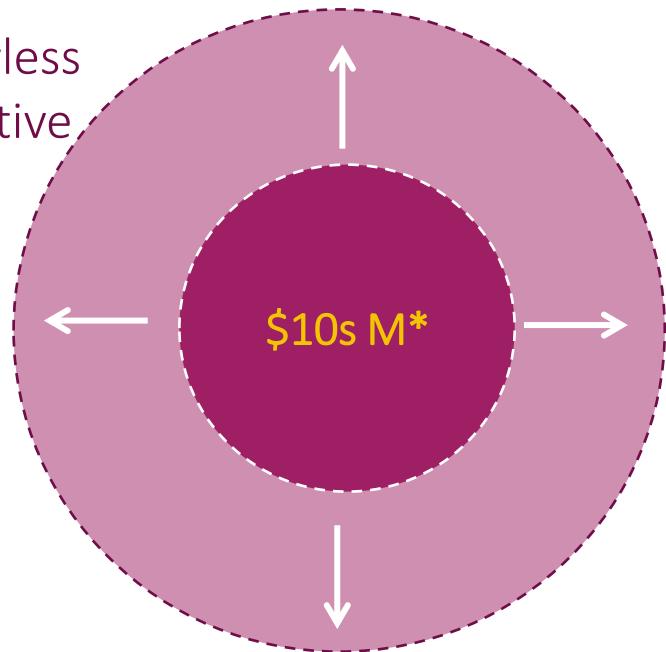
A breakthrough antioxidant launched during 2020 in the US and during 2021 in Canada

2021

AstaFerm® – Yeast-based Astaxanthin

The Strongest Antioxidant in Nature, for The Dietary Supplement Market

- For the first time, a flavorless & odorless astaxanthin product, with a competitive price point enables market growth through expansion
- Commercial sales in the USA
- Profitable and efficient supply chain



- Market potential with user expansion
- Current market (mainly soft-gels)

* company's estimates

AstaFerm® - Status and Potential

Launched in the USA (2020)

By several dietary supplement companies including leading market brands

Business progress (2021)

- Launched in Canada
- Additional launches are expected in US & Canada
- Launch of gummy product for immune system based on Astaferm®
- Expansion to new applications such as:
 - Powder - Water dispersible for drinks and food applications
 - Oil for soft-gels



AstaFerm® - Profitable Supply Chain



Financial Information

● **\$23M Raised (2014-2021)**

TASE IPO (January 2021): Raised \$11M, Market cap of \$33M

Former Equity Round (April 2019): Raised \$3.6M, Market cap of \$17.5M

● **Main Investors**

Cider Holdings, Orgad, Arancia, Yitong

Merage VC

Phoenix-Excellence, More investments

● **Use of proceeds 2021-2022**

- ✓ **ProteVin™** - Commercial launch in the US, creating demands, orders and initial supplies
- ✓ **AstaFerm®** - accelerate sales in US & Canada and launch in additional territories
- ✓ R&D to support cost improvements, products growth, expansion of use and IP



Financial data

USD in thousands	YTD Q2/2021	YTD Q2/2020	2020	2019
STATEMENT OF OPERATION				
Net Revenues	91	-	95	-
Gross Profit	5	-	19	-
Operating Loss	(2,156)	(1,500)	(3,056)	(3,941)
Adjusted EBITDA (*)	(1,947)	(1,342)	(2,635)	(3,569)
BALANCE SHEET				
Cash, cash equivalents and Short term deposits	8,265	1,368	716	2,008
Working Capital	5,686	(2,106)	(4,195)	(1,033)
Total Assets	10,675	2,338	2,163	2,936
Share Capital	6,180	(1,876)	(3,927)	(781)
CASH FLOW				
Cash used in operating activities	(2,088)	(1,487)	(2,976)	(830)
Cash used in investing activities	(1,304)	(31)	(77)	(184)
Cash used in financing activities	9,722	862	1,761	1,887

(*) Net profit excluding Interest, taxes, depreciation, amortization and share based compensation

NextFerm - Summary



Winning
technology
Platform



Game changing products:

ProteVin™

Astaferm®



Continuously-growing
Food tech market



Experienced Team



Leading player in the
global protein market

THANK YOU

NextFerm

