



This is an English translation of the Company's immediate report in Hebrew that was published on May 4, 2021 [Reference no.: 2021-01-077370] (the "**Hebrew Version**"). This English version is only for convenience purposes. This is not an official translation and has no binding effect. Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

סבורייט בע"מ
SAVOREAT LTD.
(the "**Company**")

5 May 2021

To
The Israeli Securities Authority
www.isa.gov.il

To
The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Dear Sir and Madam,

Re: Immediate Report

The Company hereby wishes to update, that on May 3, 2021, it has signed a non-binding term sheet (the "**Term Sheet**") with Millennium Food-Tech LP ("**Millennium**"),¹ an interested party of the Company (by virtue of its shareholdings in the Company), regarding an investment in a new product developed by the Company,² a plant-based egg substitute (the "**New Product**"),³ which utilizes the Company's unique cellulose fibers.

The Term Sheet dictates the main commercial terms which will be included in a definitive agreement, according to which, the research and development activities in connection with the New Product will be conducted at Egg'n'up Ltd., a private subsidiary formed by the Company for that purpose (the "**Subsidiary**"), and Millennium will invest US\$ 2,000,000 in the Subsidiary, with a possibility of increasing the investment by additional US\$ 500,000 from other investors, for a total investment amount of US\$ 2,500,000 (assuming additional investment by the other investors), which will be used by the Subsidiary according to a preapproved budget. The investment amount will be invested according to a Subsidiary pre-money valuation of US\$ 8,000,000, calculated on a fully diluted basis,

¹ Millennium is a publicly traded company, which has its certificates of participation registered for trade on the Tel Aviv Stock Exchange Ltd. (the "**TASE**").

² For details regarding the completion of the New Product's initial development, see the Company's immediate report dated April 5, 2021 [reference number 2021-01-055446], which is hereby incorporated by reference. The cellulose fibers are used as part of the main product being developed by the Company, which is a plant-based meat substitute.

³ The Company and Yissum Research Development Company of the Hebrew University of Jerusalem Ltd. ("**Yissum**") which is a stakeholder in the Company due to its holdings in the Company, have filed a joint patent application, and as of the day of this report, the application hasn't been granted.



and the consideration for the investors shall be preferred shares, which will grant their holders different rights and protections which are standard for investment transactions of this type. The parties intend that a professional, leading, and independent management will be appointed to the Subsidiary, separated from the Company's management. Immediately after the completion of the investment in the Subsidiary as stated in this report, the Subsidiary will be controlled by the Company (in terms of shareholdings and board's composition).

Millennium's investment in the Subsidiary is subject to the execution of the definitive agreement between the parties, which will include among other things, an exclusive licensing agreement which includes commercialization rights for the Subsidiary (from Yissum) for the purpose of conducting further research and development, production, marketing and distribution of the New Product and related products, and settling the supply of materials, which will be subject among other things to the completion of due diligence by Millennium, and receiving the approvals and additional documents which are required for approving the execution of the definitive agreement by the parties. The Term Sheet shall be in force for 90 days following its execution, and during this period the parties have undertaken a binding 'No-Shop' commitment.

The purpose of forming the Subsidiary is to allow the Company to further focus on developing its main product, plant-based meat substitute, manufactured using its unique advanced digital production platform for meat substitutes (including 3D printing),⁴ alongside utilizing the business opportunity and advancing the innate advantages in further developing the New Product thorough the Subsidiary.

About SavorEat

SavorEat Ltd. Is developing a platform for the production of various types of plant-based meat substitutes, which purpose is to give the consumer an eating experience that is as similar (in taste and texture) as possible to eating meat of animal origin. The first product of the company focuses on is a plant burger.

Forward-looking Statements Cautionary Clause - The above information in connection with the completion of negotiations between the parties and execution of a definitive final and binding agreement, including the completion of the investment and/or the additional investment, further development of the New Product and/or the conditions of the final and binding agreement, including forecasts, estimates and / or plans of the Company in relation to the same strategy and goals and

⁴ For additional details regarding the Company's main product, Robo-Chef, raw materials, and Company's suppliers, see sections 1.8 and 1.21, in accordance with chapter A (description of the Company's business) of the Company's periodic report for 2020, dated March 25, 2021 [reference number 2021-01-048156] (the "Annual Report"), which are hereby incorporated by reference.



schedules in connection with the above expected developments, includes forward-looking statements, as such term is defined under the Israeli Securities Law, the realization of which is uncertain and may not materialize and / or will not materialize in full and / or materializes in a manner materially different from what was initially expected, due in part to third parties and factors beyond the Company's control, and therefore, the execution of a final and binding agreement and/or the completion of the investment and/or the additional investment, the completion of the development of the New Product, schedules and timetables for its completion, marketing and/or commercial production and the rest of the conditions which were mentioned on the Term Sheet shall not realize and/or realize in full and/or realize in a manner materially different than estimated or foreseen in the beginning. Among other factors which can cause the Company's estimates and information regarding the mentioned information not to realize are failing to complete the diligence process as to the parties satisfaction, failing to execute a final and binding agreement (including related agreements), lack of progress in the negotiations as to the parties satisfaction, not receiving proper approvals and/or third party approvals necessary for completion of the transaction, not receiving Yissum's consent for executing the license agreement regarding the New Product (or not agreeing on its terms), not receiving the necessary funding required by the relevant factors in the obligated time and scope, as well as the realization of any of the risk factors, as specified in section 1.32 of the Annual Report.

Respectfully,
SavorEat Ltd.

Approved for reporting on behalf of the Company by:

Ms. Racheli Wizman, CEO and Director
Ms. Mira Damgian, CFO