

**Nextferm is under negotiation to enter a large and growing market**

**NextFerm Technologies has signed a MOU with Kothari (India) to establish a joint venture (JV) for the production and marketing of Yeast Extract and other products, which marks a significant entry into a large and growing market.**

**The purpose of joint venture is to develop, improve, and sell Yeast Extract and Cell Wall products, with profits shared equally between the parties.**

**The company is responsible for developing Yeast Extract products and assisting in quality building to increase sales and profitability.**

**(Yokneam Illit, April 15, 2024) – 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 signed a non-binding memorandum of understanding (MOU) with [Kothari Fermentation and Biochem LTD.](#), an Indian company engaged in the production and marketing of yeast and yeast-based products for various applications for the purpose of establish a strategic joint venture between the company and Kothari in the field of development, production, and marketing of Yeast Extract products and other products derived from baker’s yeast.**

The MOU outlines the principles of the collaboration between the parties, whereby a JV company will be established, incorporated in India, with each party holding 50% of its issued share capital and voting rights. The key terms of the MOU are as follows:

1. Kothari has established a Yeast Extract and Cell Wall production facility with an investment of millions of dollars and markets these products in India. The purpose of the JV is to develop, improve, and sell the JV's products, which will be purchased by the JV from Kothari at production cost as well as selling ProteVin™ byproducts, which will be purchased by the JV from the company at production cost. The JV will sell the JV's products and ProteVin™ byproducts, and all profits will be shared equally between the parties.
2. NextFerm is responsible for developing and improving the JV’s products and assisting to quality building to increase sales and profitability.
3. The detailed agreements outlined in the MOU and other customary provisions in agreements of this nature will be formalized in accordance with the understandings

which will be agreed between the parties during the negotiations for signing of the binding definitive agreement.

4. To acquire the rights in the JV and cover part of the R&D expenses and other incurred costs invested by Kothari, the company paid Kothari an advance of \$200,000 upon signing the MOU, while upon signing the definitive agreement, the company will pay Kothari an additional \$200,000. Subject to the execution of the binding definitive agreement, the company commits to invest up to an additional \$300,000 in production infrastructure improvements over the coming years, at times to be agreed upon between the parties and in accordance with a business plan to be agreed upon by the parties. In case the parties will not sign the definitive agreement, the advance amount will be considered an advance payment for ProteVin™ production services.
5. The MOU includes standard provisions, such as confidentiality and jurisdiction.

The global market of Yeast Extract products is estimated at above \$2 Billion in 2023 and is projected to grow at a CAGR of approximately 9% ([For the years 2024-2032](#)).

ProteVin™ is not part of the JV, and the company will continue to retain exclusive ownership of its revenue. The MOU states that following signing the definitive agreement (if signed), Kothari will distribute ProteVin™ in India, and the company will benefit from Kothari's sales and distribution infrastructure in India. All intellectual property rights developed and/or to be developed within the framework of the collaboration between the parties will be fully owned by the party that developed them, and that party will grant a license to use the said intellectual property to the JV.

**The parties are in the advanced draft stages of the definitive agreement. However, there is no certainty that the MOU will mature into a binding agreement between the parties.**

**Boaz Noy, Chief Executive Officer of NextFerm, said:** “The MOU we signed is a significant and essential step for the company's operations, enabling it to enter a large and growing market and helping us increase our market share. In case the conditions mature into a definitive agreement, this move is expected to open up a global market for Yeast Extract products estimated to be worth over \$2 billion in 2023 with an estimated growth rate of around 9%.”

### **[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. 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)

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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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