

November, 2021

Press release

BayWa Venture, the investment division of the German giant BayWa, will join YOFIX's \$ 3.5 million Series A round led by Millennium Food-Tech

YOFIX Probiotics Ltd., the Clean Label Israeli Plant Based start-up has completed its Series A round, with the German giant joining with an investment of \$ 700,000, in the continuously growing alternative protein industry. This is the German company's first investment in the milk alternative industry in Israel;

Millennium Food-Tech led the round with a \$ 2 million investment, other participants are Big Idea Ventures' New Protein Fund – a global leader in alternative protein investing, Strauss Group's The Kitchen Food-Tech Hub Incubator and now BayWa completes the round;

Millennium Food-Tech R&D Partnership is leading a \$ 3.5 million round of investment in YOFIX Probiotics, a company that develops and manufactures plant-based dairy alternatives. The Partnership itself will invest \$ 2 million, and other investors include Big Idea Ventures' New Protein Fund, a global leader in alternative protein investing and the Strauss Group's The Kitchen FoodTech Hub incubator, which is supported by the Israeli Innovation Authority, of which YOFIX is a graduate and now BayWa joins as well.

BayWa is a globally active group with the core segments of Energy, Agriculture and Building Materials. The company develops leading projects and solutions for the basic human needs of food, energy and building. The headquarters of the parent company, which was founded in 1923, are in Munich. In the financial year 2020, BayWa employed around 21,000 people worldwide and generated revenues of 17,16 billion Euros. Traditionally, the core markets are in southern Germany and Austria, but BayWa's international expansion has increased significantly in recent years, as part of its growth strategy. However, BayWa has since grown to become one of the leading agricultural commodities trading companies in the world and is continuously developing and innovating its business models moving towards sustainability. With the renewable energy business, which BayWa was started in 2009, BayWa created one of the rare CleanTech unicorns in Europe, that's today one of the worldwide leading projectors in the wind and solar supply.

Prof. Klaus Josef Lutz, CEO of BayWa, "Investing in solutions that advance the development of protein-rich plant-based foods is a strategic milestone - both for us as BayWa and for the food chain as a whole. YOFIX has developed a closed-loop process that is unique in the market to date to produce healthy and tasty dairy alternatives without additives and without waste. Together, we want to meet the growing demand in Europe for plant-based, sustainably produced dairy substitutes".

The global market of alternative dairy is a rapidly growing trend, due to consumer awareness and the reduction of animal proteins consumption, animal welfare and accelerated the development of alternative products that derives from huge investments in R&D. according to GFI report, the market size is approx. US\$ 21.5 b in 2020, and is projected to be US\$ 44.9 b in 2027, representing 11.2% annual growth, and in US alone, 39% of households are consuming plant based dairy alternatives on a regular basis .In the last year, alternative dairy market is on-fire from financial perspective, and demonstrate IPOs, M&As and large private placements, supporting several unicorns to expand and conquer new markets. one example is OATLY, which went public on NASDAQ two months ago, with US\$ 10 b valuation, and Follow Your Heart, acquired by Danone, that declared that this acquisition is the growth engine of the company in the plant-based dairy alternative categories.

Another growing category is the Clean Label products, which are products using as few ingredients as possible, and making sure those are ingredients that consumers recognize and think of as wholesome ingredients that consumers might use at home. This Clean Label category is considered high quality or "better 4 You" products, and YOFIX products and developments are part of this category.

YOFIX's business model is based on selling raw materials, the development of new products in the dairy alternative category and partnering with 3rd parties in the food industry, co-packers, and private label manufacturers.

YOFIX was represented in the investment round by adv. Avi Nadler from the law office Eli, Nadler & Fraidin (ENF).

About YOFIX:

Yofix Probiotics was established in 2014 and is engaged in the development, production and sales of plant based dairy alternatives. The technology and knowledge on which the company's products are based is a unique proprietary technology developed by the company in the category of clean label plant-based spreads, yogurts and cheese alternatives. Clean label, i.e. - products using as few ingredients as possible, and making sure those

ingredients are ingredients that consumers recognize and think of as wholesome—
ingredients that consumers might use at home.

The company is a graduate of The Kitchen FoodTech Hub incubator owned by the Strauss Group. In addition, the company has a local distribution agreement with Strauss Health of plant-based yogurts (under the ONLY brand). The company manufactures in Netivot (Israel), under all the Israeli and European quality standards needed and mandatory regulatory rules that apply to food manufacturers.

The company's management is headed by the CEO, Mr. Steve Grun, who has over 20 years of experience in the food industry, and who previously served as the CEO of Carmit Candy Industries Ltd.

Mr. Grun is assisted by Mr. Ronen Lavee, the founder and CTO of Yofix. Ronen is an entrepreneur with extensive experience in the development and operation in the food industry. Prior to the establishment of Yofix, he managed a food plant and mainly managed the establishment and operation of factories and engineering projects in technology companies throughout Asia.

About Millennium:

Millennium Food-Tech, managed by Chanan Schneider (CEO) and Guy Rosen (Chairman), is focusing on investments in the Food-Tech industry. The partnership, which is the largest R&D partnership on TASE, raised approx. NIS 94 m, targeting, and investing in the most promising companies in this field. So far it has invested in 5 companies: Savoreat which digitally prints plant-based meat alternatives and is traded on TASE for approx. NIS 120 m.; Phytolon which produces natural food colorants; TIPA which develop, manufacture and sells compostable flexible packaging and compostable packaging solutions; TripleW, that turns organic waste into bio-materials in a true circular economy; Alpeh Farms, that produces cultured steak and raised recently US\$ 105 m; The partnership has also a signed term sheet with Egg'n'up, that develop a plant-based egg alternative.

For further information:

Lee Shein, 052-7512226