

Press Release

SavorEat and Millennium Food-Tech are pouncing on the alternative protein sector – and singling out the growing global egg substitutes market: they are to develop a plant-based egg substitute under a separate subsidiary

SavorEat has established a new subsidiary EGG'N'UP that will focus on the egg substitutes market; Millennium Food-Tech seeks to replicate its success in the field of meat alternatives with SavorEat and will be the key investor in the funding round with an overall target of USD 2.5 million; the global egg substitutes market is forecast to grow at an average annual rate of 5% until 2026, reaching a level of USD 2.1 billion.

SavorEat and Millennium Food-Tech are entering the global egg substitute market: SavorEat in conjunction with Millennium Food-Tech has established a new subsidiary, **EGG'N'UP**, to operate separately from the rest of its activities. The new company will develop food products based on natural egg substitutes without impairing the original taste of the egg and its nutritional values, without cholesterol and with a low-calorie value – in other words a much healthier product. These products are perfect for cooking, baking and frying where an egg is required as an additional or key ingredient. The new company is controlled by SavorEat.

SavorEat has demonstrated proof of viability and has completed filing an application to register a patent for the plant-based egg substitute, which is based on the company's unique cellulose fibers. Cellulose is a dietary fiber composed of long chains of glucose molecules. Cellulose is one of nature's two most common organic compounds. The product is currently in the development stage which is scheduled to reach completion during Q4 2022. The egg substitutes are based on development carried out by Prof. Oded Shoseyov, SavorEat's Co-founder and CSO.

The global egg market is estimated at USD 200 billion per year and is expected to reach USD 244 billion by 2023. This represents a handsome one-digit average annual growth rate, which should form the basis for growth of the egg substitutes market. Mexico is currently the leading per capita consumer of regular eggs, followed by Japan, China, the USA and Europe.



Initially, once development has been completed, EGG'N'UP, under SavorEat control, plans to market the product (B2B) via food service companies and food manufacturers in the USA and Europe, and then in the next stage it will turn to the B2C channel, marketing the product directly to the consumer via retail networks. With a view to supporting the product's development, as outlined above, SavorEat has begun with a funding round anticipated to reach USD 2.5 million and thus provide its financial needs for a 24-month period, namely at least until the development stage has been completed. EGG'N'UP is to raise most of this investment from its R&D partner, Millennium Food-Tech. **Millennium Food-Tech, with current holdings in SavorEat estimated at more than NIS 31 million, is looking to mirror its great success in this investment and will invest an overall sum of USD 2.5 million in the new SavorEat subsidiary. The new company's value, based on the proven technology developed and the working prototype, is estimated to be some USD 8 million prior to funding.**

The egg substitutes market – mainly from alternative proteins – appears to be a promising market currently poised on the starting blocks. The global trend that adheres to the consumption of plant-based rather than meat products, is a key factor pushing ahead towards significant growth in this market. As of 2018, the global egg substitutes market amounted to USD 1.4 billion, and the forecast is that in 2026 it will reach USD 2.1 billion, representing an average annual growth rate of 5%. In the USA alone, for example, the growth rate is considerably higher: the US egg substitutes market in 2019 grew by 192% compared with 2018 – a figure that clearly demonstrates the growing demand for egg substitutes. Only recently, GFI Israel (Good Food Institute) published a comprehensive research study of the alternative proteins market in Israel and worldwide, underscoring the fact that this is a market with an unprecedented level of growth. In its study, GFI, which promotes alternative protein related research and entrepreneurial initiatives in Israel, stated that the overall level of investment in the alternative proteins market in Israel has grown by a factor of 8 (!) between 2018-2020 from USD 14 million to USD 114 million, and annual growth in 2020 alone amounted to 154% (!), despite the Covid-19 pandemic crisis. The highest growth segment in this market is that of those companies developing plant-based alternative proteins such as SavorEat.

A number of companies are currently operating in the evolving egg substitutes market, including: the US company Just Egg (which has recently raised USD 200 million and to date has obtained USD 650 million of funding, with an estimated value of USD 1.2 billion); the Israeli company Zero Egg (which has raised USD 6.5 million to date) and the German firm Terra Vegane.

SavorEat, the first portfolio company of the Millennium Food-Tech R&D partnership, recently completed an IPO on the Tel Aviv Stock Exchange (TASE) last November and consequently raised NIS 42.6 million. The company is currently working towards the launch of its flagship product, a plant-based hamburger produced by its unique system, Robot Chef – in a pilot to be held at the BBB hamburger chain. The pilot is due to begin in the second half of 2021.

Racheli Vizman, SavorEat co-founder and CEO: "I am delighted at the successful collaboration with Millennium Food-Tech. Our joint objective is to provide quality, healthy and tasty plant-based products to our consumers. We have discovered a great deal of potential in



the company's unique cellulose fibers, which we are translating into the development of additional products that will provide us with broader exposure to a greater variety of audiences, including vegetarians, vegans and flexitarians. Setting and meeting this objective constitutes important business and technological progress for the company towards attaining overall success. We believe that leaving a footprint in an additional sector, apart from meat alternatives, will open up new business opportunities and enable us to continue doing what we have strongly believed in from the outset."

Chanan Scheider, Millennium Food-Tech CEO: "The global alternative protein market is in a state of constant growth. The available data shows that there is both a need and considerable demand for an egg substitute in the pastries market and additional markets too. The new company established brings with it another and better solution compared to its competitors, which could turn it into a significant global player in this field."

SavorEat was established in 2018 by Racheli Vizman who serves as its CEO, Prof. Oded Shoseyov, the company's CSO, and Prof. Ido Braslavsky. The company is developing a system for the manufacture of various types of meat alternatives with plant-based ingredients, designed to create for the consumer a unique eating experience (both taste and texture) that is as close as possible to eating animal-based meat. Moreover, SavorEat is developing tailor-made food solutions. The first product at the focus of the company's development effort is the meatless hamburger. The company comprises 12 employees and is aided by a staff of senior consultants and leading partners. The company technology, developed at the Hebrew University Faculty of Agriculture, was awarded an exclusive trading license from Yissum, the university's commercialization company.

Millennium Food-Tech, under the management of Chanan Schneider the CEO and Guy Rosen the Chairman, focuses on those companies operating in the following sectors: tailor-made food, alternative proteins, reduction of food waste, smart packaging, AI and new food ingredients. To date, the company has raised NIS 94 million. The partnership's portfolio currently includes 4 companies: SavorEat, the developer of a plant-based meat alternative manufacturing system traded on the TASE; Phytolon, which is engaged in the R&D of natural food coloring for the food industry; Tipa, a company working on the development, production and marketing of disposable packaging solutions for the flexible packaging market; and TripleW, which has developed an industrial process for the production of lactic acid from food waste.



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