

November 11, 2019

Dan Szybel the new CEO of Save Foods Inc. (OTCPK:SAFO) issued the following update to shareholders.

Dear Shareholders,

I would like to first thank the company board of directors and especially our chairman Prof. Benad Goldwasser for their trust and support of me in my new position as CEO.

I was appointed on April 2nd, 2019 and together with Prof. Goldwasser and our team, we are moving towards the regulatory approval of the new generation of our products. We have performed pilot studies with a number of potential clients from the different industries that were previously identified as relevant to our products (fruit packing houses, fresh cut / food industry and greenhouses).

Based upon our clients' past commercial experience as well as studies carried out in local laboratories, our new family of products, SF-3, have the following inherent advantages:

1. Highly efficient sanitizing activity of human relevant bacteria (including E. Coli, Salmonella and Listeria) and of fungal plant pathogens
2. Environmentally and worker friendly
3. Leave no residues of toxicological concern on the treated fruit and vegetables

This translates into the superior ability of our products to:

- Reduce the chances of infected food reaching the consumer (Food Safety)
- Extend the storability and shelf life of fruit and vegetables across the entire supply chain (Food Waste Reduction)

Over the past few months we have learned from our industrial pilots that Save Foods products could be applied across the entire food chain – from field to fork. However, in order to stay focused, we have decided to concentrate our efforts on pre-harvest, post-harvest and greenhouse applications for the time being.

Please find below a summary of our latest activities:

### ***Save Foods Products***

Currently, the company has two registered products: *SpuDefender* and *FreshProtect*.

*SpuDefender* is one of our EPA approved products, which targets post-harvest potato sprout control. Currently this product is not being sold. However, due to the European Commission's decision to no longer allow the use of the herbicide chlorpropham (CIPC) as of Jan. 1, 2020, the post-harvest potato industry is actively looking for new solutions. CIPC is widely used as a sprout suppressant chemical which is applied to stored potatoes. Effective sprout suppression is a fundamental component of managing stored potato quality. CIPC has been crucial for potato storage and has been used globally for over fifty years. Therefore, the risk of withdrawal presents significant implications to the industry.

Following recent discussions with post-harvest experts and potential customers, we believe that SpuDefender might be a successful alternative to CIPC. Therefore, we are initiating commercial pilots with potential customers soon in order to hopefully kick start sales in the United States by mid-2020.

FreshProtect is our second EPA approved product, which controls spoilage and decay causing microorganisms on post-harvest citrus. As noted, the residual effect of one of the ingredients in this product has significantly limited our sales in the past in the post-harvest citrus industry. Therefore, the company decided at that time to stop the promotion of this product.

However, we have recently started to evaluate the potential of this product in the pre-harvest citrus industry in order to reduce the pathogenic bacterial load of fruit entering the packing house which in turn increases food safety and reduces food waste. So far, this product has generated positive results when applied in pre-harvest and, therefore, we are working towards widening the existing product label to include these promising applications as well.

A few months ago, we discovered that some of our products (previous generation) were sold under an inappropriate label. Therefore, we decided to immediately cease the marketing and sales of these products both in the USA and Israel.

### ***Regulatory and related R&D activities***

Under the Leadership of Dr. Tali Ehrlich, our VP Regulatory Affairs, we are in the middle of preparing the regulatory dossier for our new product. Based on the feedback from the market and our regulatory experts we are going to initially claim sanitizing activity on fresh produce and target decay control at a later stage. We plan to submit our regulatory dossier in parallel to the US EPA (United States Environmental Protection Agency), US FDA (Food and Drug Administration) and CDPR (California Department of Pesticide Regulation) by January 2020. We therefore expect the registration of our new product by the end of Q3 2020 in time for the citrus season in the USA. This will allow us to move more "aggressively" into the US Post-Harvest market and take advantage of the new FSMA regulation of zero-tolerance to human pathogen contamination.

Key to a successful regulatory submission, we had to identify and characterize the active ingredients and define the shelf life of our new product. We have invested significant efforts in understanding and characterizing the chemistry and in improving the shelf life of our new formulation.

Regarding the Israeli Regulatory landscape, the Ministry of Health is the body responsible for foodborne pathogens and sanitization claims and the Ministry of Agriculture for decay control. As with the Ministry of Health there is no "regulatory approval" process but ONLY rules to comply with and a self-declaration policy, we are currently working towards meeting the set compliance criteria. In parallel, we have initiated a process with the Ministry of Agriculture to receive approval to officially perform efficacy field trials that will be recognized in our regulatory dossier.

### ***Pilots with Industry – from field to fork***

#### ***1. Pre harvest applications to citrus trees – Fresh Protect***

- a. As previously mentioned, the first field tests performed in California were compelling. In order to validate the commercial potential of this product, we have approached one of the vertically integrated citrus producing companies in California. Together with them and Prof. Jim Adaskaveg from UC Riverside, we have recently performed a field test in one of their grower orchards and the results are highly promising with the "naturally inoculated fruit". We are preparing a plan to further test product efficacy and compile the potential application protocol.

#### ***2. Cold Storage of potatoes house (post-harvest) – SpuDefender***

- a. We have initiated discussion with a service provider to potato storage facilities and potato expert in order to perform efficacy trials to confirm the potential of our product. Such trials are expected to start by the end of the year (2019).

### 3. *Packing house (post-harvest) – SF-3, our new product*

- a. Citrus – We are pursuing our collaboration with service providers to packing houses in Israel and in the US, as this may be the best way to achieve quick market penetration and generate sales. The collaboration focuses on the implementation of our products in order to provide “green” sanitizing solutions for the citrus industry as a start.
- b. Mango – We have just finished very successfully a semi-commercial pilot with one of the leading Mango packing houses in Israel. The goal of this pilot was to evaluate the efficacy of SF-3 to replace one of their existing fungicide products which is expected to be banned soon and therefore they are looking for alternatives. Following the good results of the pilot and our progress with the product registration in Israel, we have initiated commercial discussion with the management team of the packing house to discuss potential use of our product in next year’s mango season (June 2020).
- c. Avocado – Following several tests and pilots conducted with one of Israel’s leading exporters of avocado fruit where the results were beyond our and their expectations, we are initiating a similar pilot in Chile for mid-November 2019.

In all of our pilots performed so far in post-harvest applications, the benefits of our SF-3 products as highly efficient sanitizers with the ability to extend storability and shelf life were clearly demonstrated. However, the lack of regulatory approvals is still a barrier to sales.

### 4. *Greenhouse – SF-3*

- a. Cannabis – We believe we could play a significant role in the cannabis industry that suffers from heavy losses of its flowers from bacteria and fungal molds in the pre-harvest as well as the post-harvest phases. Following the positive proof of concept showing both safety (no phytotoxicity and no impact on the active ingredient profile) and efficacy (reduction of bacterial count level) for the cannabis plant, we are actively exploring and evaluating potential business collaborations with both growers and potential strategic partners.
- b. Micro greens – After demonstrating both crop safety (lack of phytotoxicity) and efficacy in reducing total bacterial counts in 3 varieties of micro greens in a mid-sized commercial pilot with one of the leading micro green producers in Israel, we are now in discussions regarding potential large-scale implementation.

### 5. *Food Processing Companies – SF-3*

Following the tests, we have performed in collaboration with one of Israel’s largest food producers and with one of the world’s largest food producers, we have mutually agreed that despite the promising results, the products still require additional optimization. Therefore, in order to control our expenses and stay focused we have decided to put on hold for the moment our activities in the fresh cut and processed food sectors.

## **Sales**

As we are waiting for our regulatory approvals, we have also found a way to promote and sell one of our new products. We will sell a blend of our food acids together with an already approved and registered sanitizer. In this case, our product is used as an adjuvant having cleaning and pH regulation activity.

From the last week of October at the start of the citrus packing season in California, our blend is being evaluated in one of the largest easy peeling citrus packing house facilities there. This test is performed in collaboration with one of the five leading service companies that presently provide cleaning and sanitizing products and services to packing houses in the USA and worldwide, and should start generating revenues by the end of the year.

We are also approaching Israeli packing houses to introduce them to and to sell our interim solution for the cleaning of citrus and avocado.

### ***Some additional news and ongoing activities***

- During January 2019, we have strengthened our team with the very experienced and talented Dr. Neta Matis, PhD Chemistry. Since Neta joined our team, she is leading the characterization and improvement of our new generation products and also supporting the regulatory process.
- We have moved to new offices in Tel Aviv.
- The company's new website is now live ([www.savefoods.co](http://www.savefoods.co)) reflecting our new branding
- In June 2019, we effected a 15 to 1 reverse stock split.
- We have recently submitted our form 10 to the SEC and by the end of November 2019, the company will become once again a full [SEC reporting company](#) under the act.

### ***Funding***

We are actively and successfully conducting fund raising activity via private placements. So far, since the beginning of 2019, the Company has raised an additional \$840K.

However, since we had to stop our sales and invest significant efforts in understanding and characterizing our chemistry and finding new ways to improve the shelf life of our new formulation, we intend to raise an additional \$2.5M in the near future to pursue our activities to ensure both the registration of our new SF-3 products and marketing and sales activities to increase our revenue stream.

We believe that once our new products are registered, this may translate into a surge in sales to the packing houses segment, an industry which processes tens of billions of dollars a year of fresh produce in the USA alone.

Best Regards,

Dan Szybel

CEO of Save Foods Inc.

### ***Forward-Looking Statements***

All statements other than statements of historical facts contained in this press release are "forward-looking statements," which may often, but not always, be identified by the use of such words as "may," "might," "will," "will likely result," "should," "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "continue," "target" or the negative of such terms or other similar expressions. These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including, but not limited to, those described in the Company's Form 10 Registration Statement that was filed with the U.S. Securities and Exchange Commission (the "SEC") on September 26, 2019, and the other risks and factors set forth in the Company's filings and submissions with the SEC. In addition, the Company operates in a relatively new industry sector where securities values are highly volatile and may be influenced by economic and other factors beyond its control. These forward-looking statements speak only as of the date hereof and the Company disclaims any obligations to update these statements, except as may be required by law.

### ***Contact***

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