

Nepra Foods Announces \$1.2M Equipment Financing from Farnam Street Financial

VANCOUVER, BC / ACCESSWIRE / January 24, 2022 / Nepra Foods Inc. (the "Company" or "Nepra") (CSE:NPRA)(FSE:2P6.F)(OTC PINK:NPRFF), creator of nutritious plant-based and allergen-free food, today announces that it has entered into a lease agreement (the "Agreement") with Farnam Street Financial, Inc. ("Farnam Street") pursuant to which Farnam Street will lease to the Company food processing equipment costing a total \$1,200,000 USD for a period of 24 months (the "Lease").

Pursuant to the Agreement, Farnam Street will retain ownership of the Lease for the entire lease term. In the event that Nepra receives a bona fide offer from a third party (a "Third Party Offer") to lease equipment to the Company, Farnam Street will have the right of first refusal to lease the equipment which is the subject of the Third Party Offer to Nepra on the same terms and conditions of the Third Party Offer.

Nepra plans to lease equipment to expand production of its high-protein flours and blends, PROPASTA™, THP™ and other existing ingredients to support the company's goal of doubling ingredient sales.

- Hemp Heart flour, Nepra's proprietary 50% protein flour, is currently at max capacity; additional production equipment allows Nepra to double its production to just over 500,000 lbs annually.
- Plant Protein Texturizer allows Nepra to produce 300lbs/hr of THP in-house (roughly 800,000lbs/year) adding up to \$3.5 million USD in potential revenue
- Blending and Packaging equipment, used for wholesale ingredient sales, will bring the entire ingredient production process in-house and expand the capacity of custom blending.
- Additional equipment will produce the individual components such as pasta and plant based meat analogues that make up the PROPASTA frozen consumer meals pilot production line at the Colorado facility. The frozen meal pilot line allows the company to quickly launch the products in select regional markets.
- Enables two additional lines of revenue: CPG and Institutional ingredient sales
- Expands the research facilities giving Nepra more capabilities for advanced product development
- Expands storage capacity for raw materials.

"We're very pleased to embark on this new business relationship with Farnam Street. Leasing this new equipment will allow us to continually upgrade to the latest machine technology for maximum production output while freeing up cash resources for corporate development initiatives, including R&D," says Nepra CEO David Wood. "The utilization of less dilutive debt and leasing finance instruments is a key component of our over all corporate strategy."



RSU Grant

The Company further announces that it has granted a total of 270,000 restricted share units ("RSUs") to certain of its employees pursuant to the Company's 2021 Stock and Incentive Plan. The RSUs will vest in equal quarterly installments over a period of one year. The Company also granted stock options (the "Options") to acquire up to 100,000 common shares (the "Shares") of the Company to an employee, at the exercise price of \$0.68 per Share for a period of five years, subject to vesting requirements.

About Farnam Street

Farnam Street Financial, Inc. (<http://www.farnamstreet.net>) is an independent, privately-held leasing company focused on building long-term relationships with entrepreneurs and executives across the entire size and growth spectrum from growing, earlier stage businesses to established, global enterprises with diverse equipment needs. Following the global reach of our portfolio of US based customers, we have leased equipment that is installed across the globe.

About Nepra Foods

Nepra Foods is grounded in a passion for food. We believe eating healthy shouldn't be difficult. Everybody deserves food options that are truly nutritious and taste good. Food should not contain allergens that might prevent everybody in the family from enjoying it together. People shouldn't have to compromise quality and taste in what they eat even if they are trying to cut down on carbs, don't tolerate gluten or dairy very well, or don't want to eat food produced from animals. Nepra Foods is on a mission to make healthy, enjoyable food for everybody.

Visit the Nepra Foods [website](#) for additional information.

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The CSE has neither approved nor disapproved the contents of this news release. The CSE does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains statements and information that, to the extent that they are not historical fact, constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, including, but not limited to, the statements relating to the Company's financial performance, business development and results of operations. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

SOURCE: Nepra Foods

