

Letter to the Shareholders From Chief Visionary Officer, Chadwick White

VANCOUVER, BC / ACCESSWIRE / August 12, 2024/ Nepra Foods Inc.

(CSE:NPRA)(FSE:2P6)(OTC PINK:NPRFF) ("**Nepra Foods**" or the "**Company**"), a leading ingredient supplier to the gluten-free bakery industry, based in Denver, Colorado, leveraging its expertise in product development and ingredient production, blending and sales is pleased to share a letter from Chief Visionary Officer, Chadwick White, on the status of Nepra Foods and its business over the past year.

It has been a full year since my last company update via Zoom. This year, we have chosen to write a letter, a sort of rebirth certificate that should give you a good indication that we're alive, doing very well, and primed for a bright future!

In October of 2023, as you all know, we were issued a Cease Trade Order due to a failure to file our audited annual financials for the year ended March 31, 2023 and related filings. A lack of capital and workflow problems were the primary contributors. Over the past few months, both issues have been resolved and we are now in the final stages of filing our financial statements for the year ending March 31, 2024. As you are aware, the CTO was recently revoked and the CSE has reinstated the Company for trading. We are delighted to be back, and I'd like to take a moment to thank all of you for your continued support and encouragement and for sticking by us throughout this difficult time. I have always made myself available for questions and some of you have not only taken the time to reach out but have also become friends, something I find of great personal value. I remain dedicated to bringing better food to the world, both in terms of eating quality and nutrition.

This past year hasn't been easy, we've been short on cash and at the same time envisioning an increase in business. This increase is made more difficult due to shipping issues, customer related slowdowns, and various other normal "course of business" challenges. Some of the accounts, which we expected to begin ordering several months ago, are just now beginning to order, which led to necessary adjustments to our projections and yet we've managed to not only persevere but to grow the business and strengthen our customer relationships. To control expenses, we've adjusted much of our business model and have prioritized our spending accordingly. We've also tightened the ship to make it more efficient; literally everyone at Nepra wears multiple hats. I love our team, they are dedicated and self-less, talented and passionate; I couldn't be more enthusiastic in saying that Nepra is made up of the right people to do the job we've set out to do. Thank you to everyone on the team, I know we're all excited to see the fruit of our long hours.

Regarding developments with Nepra's capital needs and business organization, I am proud to introduce a very good friend of mine, Billy Hogan, who has been appointed a Chief Executive Officer as I move to my new role as Chief Visionary Officer. Billy and I have been talking all things Nepra for a couple of years and roughly eight months ago, he decided to jump in and help us full-time. He is very strong in the natural foods category (CPG), business development, business structuring, and emitting much needed positive energy. As important as all of those things are, he has also brought a huge amount of relief to Nepra in the form of capital; capital which has driven the Company forward.

We have discussed in the past the four basic pillars of our business and have communicated how these arms interlock to form a strong platform on which the company stands. Our first pillar is food product development and subsequent ingredient sales. Our second pillar is supportive manufacturing including novel ingredient production as well as flour blending (for our customers) and manufactured finished goods (such as ProPasta). The third, supported by our manufacturing, is the CPG (Consumer Packaged Goods) effort; we have dozens of products ready to go onto this channel. The fourth is the continued development of the hemp protein industry; Nepra is creating demand, supplying the proper forms of the protein, developing novel technologies to extract the protein more efficiently, scaling up those technologies, working with geneticists to develop strains of hemp that are high yielding and optimized for food production, and lastly, working with agronomists to develop novel agricultural processes that favor organic farming, increased production, increased value for the farmer and ecological soundness and sustainability.

Advancements in Ingredient and Recipe Formulation:

Although we haven't published much news while under the CTO, our expansion into new markets has continued; we have added several new customers and have fully scaled those that we were working on early last year. Developing new products and implementing them into production can be a slow process, laden with multiple challenges. We truly excel at problem solving; however, and although a few of these accounts have been slow to fully launch, their introduction to the marketplace is going to be strong. We concentrate on providing our customers with exceptional service and the relationship is one that more closely resembles a partnership; as such, the opportunities with our customers aren't relegated to one or two products, but entire product lines. In this way, we grow as they grow and in the case of a few, the top revenue potential is in the tens of millions. With one such customer is the development of a product that I am especially proud of, a pretzel that carries with it a fantastic nutritional halo. It is not only delicious, but it is the first salty snack to carry an American Heart Association approved "Heart Healthy" claim. With Four grams of quality protein, containing all 20 amino acids, seven grams of prebiotic fiber, and a huge amount of omega six and three, there is absolutely nothing like it in the industry.

Likewise, this coming year will see several new products, in various categories, born with the same objective to drive "The Evolution of Eating".

Manufacturing:

The second leg of our business, ingredient manufacturing, blending, and finished goods manufacturing, has continued to grow. Of these, our blending opportunities and ingredient manufacturing have and are seeing the greatest increase. We are soon going to be equipping our Centennial CO facility with enough capacity to blend over one million pounds of flour per month to support the demand.

We continue to drive our 55% hemp protein manufacturing, and we have placed this ingredient into several products already produced and sold nationally; the volume is steadily growing and we have many new opportunities ahead of us. We have also seen a tremendous amount of interest in our functional hemp-based egg replacement systems. While the functional 80% hemp protein concentrate at the core of these blends continues to be produced with a manufacturing partner, our own novel process for creating this ingredient remains at the top of our list of new manufacturing projects. Plans are currently being put in place to accommodate this portion of the business; hemp protein drives much of what we do, and it only makes sense to vertically integrate the protein manufacturing in addition to the existing blending of the final product. We have successfully placed these ingredients into dozens of formulas this year, followed by production implementation.

Our CPG Companies and Projects:

Early in 2023, due to the same cash-flow challenges, we chose to pause ProPasta as a retail brand (an expensive endeavor) and we have only been selling it as a Foodservice item across the Colorado region. We currently sell to a dozen or so customers and volumes, while still relatively small, are steady and growing. We have purposely throttled the expansion, and this exercise has allowed us to improve the product formulation, streamline the production process, and gather consumer data. The pasta is presented very well in a restaurant setting and many of the restaurants serving it don't bother to mention that is gluten-free, just that it is "high protein". Consumer reactions have all been favorable and one of our most recent customers sold out within one weekend of placing it on the menu. We will soon be releasing news specifically about ProPasta and the CPG brands as we look to reengage the retail market and set in motion our plans for the future.

Hemp Market Development:

Our production and implementation of hemp into formulations has only grown, although the formats of the hemp have adjusted based on the demand. It is now necessary for us to expand our production capabilities and to implement our 80% hemp protein production. The number one take away from those we introduce hemp to is that; they love the flavor,

off-white color, nutrition, and functionality. There is no doubt that this food category will be the largest opportunity for the hemp industry, far exceeding fiber and cannabinoids as hemp protein will begin to take market share away from soy and other plant proteins.

Neptra is working to place itself into position as a cornerstone hemp food resource. We have developed relationships with key hemp companies across North America, South America, the UK, Europe, Asia, India, and Australia. The effort has been designed to provide hemp formulation expertise and fuel subsequent ingredient sales.

Regards,

Chadwick White C.M.B.

Chief Visionary Officer and Chief Innovation Officer

ON BEHALF OF THE BOARD OF DIRECTORS

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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 may include, without limitation, statements regarding the timing and completion of the annual financial statements for the year ended March 31, 2024, statements about the Company's expansion into new markets and expansion of its product lines and manufacturing capacities, and other statements regarding the future developments and the business and options of the Company. 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, statements relating to the Company's financial performance, business development, results of

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SOURCE: Nepra Foods