

## Else Announces Investment for Gross Proceeds of Up to US\$13.75M

VANCOUVER, British Columbia, Dec. 19, 2022 — ELSE NUTRITION HOLDINGS INC. (TSX: BABY) (OTCQX: BABYF) (FSE: 0YL) (the “**Company**”) is pleased to announce that the Company has entered into a definitive convertible security funding agreement (the “**Agreement**”) with Lind Global Fund II LP, an entity managed by The Lind Partners, LLC, a New York-based institutional fund manager (together, “**Lind**”). Under the terms of the Agreement, the Company will on closing issue an initial convertible security (the “**Initial Convertible Security**”) with a face value of US\$5,100,000, which would provide US\$4,133,125 in funds after deduction of the original issue discount and closing fees.

On closing, the Initial Convertible Security will have a 36-month maturity date, and will be convertible into common shares of the Company (the “**Shares**”) after completion of a 120 day lock-up period. Lind will be able to convert 1/20<sup>th</sup> of the face value each month at a conversion price equal to 85% of the five-day volume weighted average price of the Shares immediately prior to each conversion, subject to a right to increase conversions in certain circumstances. The outstanding face value of the Initial Convertible Security, after 180 days, may be repaid in cash at the discretion of the Company, with a 5% premium (the “**Buy-Back Right**”). Should the Company exercise its Buy-Back Right, Lind would have the option to convert up to 33% of the face value of the Initial Convertible Security into Shares.

Following the Initial Convertible Security issuance, the Company would have the right to draw a further US\$1,250,000 (which may be increased to US\$3,000,000 upon mutual agreement) (the “**Second Draw**”), subject to the terms of the formal agreements, and thereafter an optional follow-on investment of up to US\$6,500,000, (the “**Third Draw**”), upon mutual agreement, in exchange for the issuance of additional convertible notes.

The Initial Convertible Security, and each of the additional convertible notes, if applicable, will include detached warrants (the “**Warrants**”) to purchase common Shares. In connection with the Initial Convertible Security, the Company will issue 8,247,129 Warrants having an exercise price of C\$1.15 per share and an expiry date 48 months from the date of issuance. The number of Warrants issued on the Second Draw and Third Draw will be calculated on 75% of the amount of the draw divided by the VWAP per share during the twenty (20) consecutive trading days immediately before the closing date of the Second Draw and the Third Draw. The exercise price of Warrants issued on the Second Draw and the Third Draw will be equal to the greater of: (i) the VWAP per share (in Canadian dollars) for the five (5) consecutive trading days immediately before the date of the Second Draw or Third Draw closing as applicable, and (ii) 130% of the VWAP per share (in Canadian dollars) for the twenty (20) consecutive trading days immediately before the date of the Second Draw or Third Draw closing as applicable.

The Agreement provides that the Initial Convertible Security, and the additional convertible

notes, if applicable, will include volume restrictions on resale of the Shares issued on conversion of the Initial Convertible Security, and the additional convertible notes, if applicable, as well as restrictions on short sales.

The proceeds from the issuance of the Initial Convertible Security will be applied to clinical trials in connection with FDA and other application processes, as well as general working capital.

The Company has obtained approval of Toronto Stock Exchange (“**TSX**”) for the transactions described above. Shares issued pursuant to any conversions would be issued under TSX private placement rules and would not be freely tradable for four months and one day following closing and would be subject to restrictions under applicable Canadian and United States securities laws.

**This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities offered in any jurisdiction in which such offer, solicitation, or sale would be unlawful. The securities offered have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. persons (as both such terms are defined in Regulation S promulgated under the U.S. Securities Act) absent registration or an applicable exemption from such registration requirements.**

### **About The Lind Partners**

The Lind Partners manages institutional funds that are leaders in providing growth capital to small- and mid-cap companies publicly traded in the US, Canada, Australia and the UK. Lind’s funds make direct investments ranging from US\$1 to US\$30 million, invest in syndicated equity offerings and selectively buy on market. Having completed more than 150 direct investments totaling over US\$1.5 Billion in transaction value, Lind’s funds have been flexible and supportive capital partners to investee companies since 2011. For more information, please visit <http://www.thelindpartners.com>.

### **About Else Nutrition Holdings Inc.**

Else Nutrition Holdings Inc. is a food and nutrition company in the international expansion stage focused on developing innovative, clean, and plant-based food and nutrition products for infants, toddlers, children, and adults. Its revolutionary, plant-based, non-soy formula is a clean-ingredient alternative to dairy-based formula. Else Nutrition (formerly INDI) won the “2017 Best Health and Diet Solutions” award at Milan’s Global Food Innovation Summit. The holding company, Else Nutrition Holdings Inc., is a publicly-traded company, listed on Toronto Stock Exchange under the trading symbol ‘BABY’ and is quoted on the US OTCQX board

under the trading symbol 'BABYF' and the Frankfurt Exchange under the symbol 'OYL'. Since launching its Plant-Based Complete Nutrition for Toddlers, made of whole foods, almonds, buckwheat, and tapioca, the brand has received thousands of powerful testimonials and reviews from parents and gained national retailer support from Sprouts Farmers Market, and achieved rapid sales growth. Else became the #1 Best Seller on Amazon in the Fall of 2020 in the New Baby & Toddler Formula Category. It recently won the "Best Dairy Alternative" award 2021 at World Plant-Based Expo and was a Nexty Award Finalist at Expo West 2022 in the Plant-Based lifestyle category.

For more information, visit [www.elsenutrition.com](http://www.elsenutrition.com) or @elsenutrition on Facebook and Instagram.

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***Caution Regarding Forward-Looking Statements***

This press release contains statements that may constitute "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as "will" or similar expressions. Forward-looking statements in this press release include but are not limited to, statements with respect to the funding under the Agreement and the issuance of convertible securities, including the Initial Convertible Security, and warrants under the Agreement. These forward-looking statements

are made as of the date of this press release. Such forward-looking statements reflect current estimates, beliefs and assumptions, which are based on management's perception of current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Although the Company believes the forward-looking statements in this press release are reasonable, it can give no assurance that the expectations and assumptions in such statements will prove to be correct. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the ability of the Company and Lind to negotiate the terms of the definitive funding agreement, variations in market conditions; currency exchange rates; the Company's ability to obtain any necessary permits, consents or authorizations required for its activities; the Company's ability to access further funding, to continue its projected growth, or to be fully able to implement its business strategies. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results may differ from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements, which reflect management's expectations only as of the date of this press release. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

