

## **Else Nutrition Provides Solid 1Q2022 Financial Results**

Reporting substantial 26% revenue growth QoQ

### **Conference call will be held on May 16th at 11AM ET**

VANCOUVER, British Columbia, May 16, 2022 — **ELSE NUTRITION HOLDINGS INC (BABY) (BABYF) (OYL.F) (“Else” or the “Company”)** the Plant-Based baby, toddler and children nutrition company, today reported first-quarter 2022 financial results for the period ending March 31, 2022. The financial statements and MD&A are available on SEDAR under the Company’s profile.

### **First Quarter 2022 Financial Highlights**

- Revenues were \$1.6M, a 26% increase versus \$1.3M in 4Q21, driven by the expansion of our toddler products across all channels, and the introduction of the new Kids Complete Nutritional shake product line.
- Sales on Amazon.com increased 40% sequentially versus 4Q21, a strong acceleration from prior periods.
- Else products are now sold in over 1,300 stores.
- Cash balance as of March 31, 2022 was \$19.8M (including restricted cash and short-term bank deposit).
- The Company had no loans liability as of March 31, 2022.
- Graduated to the Toronto Stock Exchange.

### **Recent Business Highlights**

- Expanded US retail presence to more than 1,300 stores and continue to increase retail sales velocity. Several retailers have already added the new Kids products to their range.
- Successfully listed on Walmart.com and Kroger-owned online platforms.
- Following the success on Amazon in the US, Else was invited by Amazon EU to launch a European unified account that will allow Else to sell its products on major Amazon European marketplaces including the UK, Germany, France, Italy, Spain, the Netherlands, and Sweden, representing a market with more than 300M people.
- Expanded ecommerce and retail distribution of the kid’s product line to include KeHE, UNFI, Walmart.com, Thrive Market, and additional channels.
- Successfully launched its third product, Else™ Toddler Omega Complete & Balanced Nutrition drink on Amazon.com. and on the Company’s e-store, followed by retail distribution in select retail outlets.
- Successfully launched its fourth product, Else™ Super Cereal, safe from heavy metals.

Else Super Cereal, the first US cereal brand safe from heavy metals, certified clean label purity award was launched on Amazon.com and on the Company's e-store, to be followed by retail distribution in select retail outlets.

- Acceptance of Supplemental Nutrition Assistance Program (SNAP) for Else products by Amazon.com.
- Launched an intensive HCP initiative in the US that includes a dedicated HCP website and a campaign to reach more than 80,000 pediatricians. This effort is led by Mr. Mike Glick, Else' North America GM, a former Abbott Senior Director of Pediatric and Adult Nutrition.
- Conducted an Independent Research Survey Demonstrating that Else' Products dramatically Improved Major Feeding Related Disorders & Symptoms in large majority of children.
- Prepared to launch a clinical study with Children's Hospital Colorado and Denver School of Medicine to validate growth benefits of Else's Plant-Based Nutrition product.

## **Management Commentary**

Hamutal Yitzhak, CEO of Else Nutrition commented: "We are in the very early stages of a multi-year revenue growth phase, as we are positioned to disrupt the \$80 billion baby nutrition market. We have set the stage for this performance with thousands of retail points of sale, multiple SKUs ranging from 6M+ to 13Y products, strong distributors and major strategic partners that intend to drive the Else brand as a revolutionary protein alternative for babies, toddlers and kids."

"We are seeing a strong acceleration in sales on Amazon.com, driven by new and existing customers. Revenues on Amazon.com increased by 40% QoQ in 1Q22. In addition, the number of Else subscribers on Amazon.com crossed the 1,000 mark in early April. Our retailers are experiencing solid and growing sales velocity of our products, and we are seeing growing reorders with many of those retailers. We expect to triple our door count to roughly 4,000 by the end of 2022."

"In recent months we expanded our product offerings, with the launch of our Kids Shakes in 3Q21, and with our Toddler Omega and Super Cereal in 2022. During 2022 our product range will grow to roughly 8-10 products and over 20 SKUs in the US alone."

"International expansion will be a focus for Else in 2022. In 2Q22 we will launch in Canada via Amazon.ca, our own e-store, and in natural food retailers and independents, regional grocery and drug retailers. In addition, in Q3 we expect to enter the UK and Western Europe via Amazon. We also expect to start selling online in China (Cross Border) in H2 2022. We feel very confident this growth rate is sustainable and will continue going forward."

## **FDA Update**

- In Q4 2021 Else concluded a successful preclinical safety study of its plant-based infant formula, as part of the pathway to bring its Infant formulation to market.
- The study results demonstrated proper growth, similar to dairy-based infant formula, in a neonatal preclinical model, which is a key first step on the path with the US Food and Drug Administration (FDA), as well as with other regulatory authorities, to demonstrate safety and nutrient bioavailability of the infant formula and its ingredients. The results of the study will be presented in two key scientific meetings focused on pediatric nutrition and will be published in scientific peer-reviewed journals. Else is in close communication with the FDA, sharing its plans and results to receive their guidance throughout the process of Else's infant formula development.
- Else working on preparations for four clinical studies planned for 2022, one major study to gain FDA infant formula approval, and three others to validate product safety, tolerance and hypo allergenicity claims.
- In 2022 we plan to continue our research activity demonstrating the safety of the infant formula as well as provide scientific support for our products including preparations for additional clinical studies.

## **Conference Call**

Hamutal Yitzhak, CEO and Co-Founder, will hold a conference call to discuss the quarter's financial results at 11:00 a.m. (Eastern Time) on May 16, 2022.

Interested parties can listen via a live webcast, from the link available in the Investors section of the Company's website or at <https://app.webinar.net/WEmKaEqajy3>.

A replay will be available after the call, in the Investors section of the Company's website at <https://app.webinar.net/WEmKaEqajy3>.

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

Else Nutrition GH Ltd. is an Israel-based food and nutrition company 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 the Global Food Innovation Summit in Milan. Else Plant-Based Complete Nutrition for Toddlers was recently ranked as the #1 Top seller in the baby and toddler formula category on Amazon. The Company recently received the World Plant-Based Award for "Best dairy alternative product" in New York at World Plant-Based Expo in late 2021. The holding company, Else Nutrition Holdings Inc., is a publicly traded company, listed on the Toronto Stock Exchange under the trading symbol BABY and is quoted on the US OTC

Markets QX board under the trading symbol BABYF and on the Frankfurt Exchange under the symbol OYL. Else's Executives includes leaders hailing from leading infant nutrition companies. Many of Else advisory board members had past executive roles in companies such as Mead Johnson, Abbott Nutrition, Plum Organics and leading infant nutrition Societies, and some of them currently serve in different roles in leading medical centers and academic institutes such as Boston Children's Hospital, Pediatrics at Harvard Medical School, USA, Tel Aviv University, Schneider Children's Medical Center of Israel, Rambam Medical Center and Technion, Israel and University Hospital Brussels, Belgium.

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

**Investor Relations Contact:**

Lytham Partners, LLC

Mr. Ben Shamsian

New York | Phoenix

E: [shamsian@lythampartners.com](mailto:shamsian@lythampartners.com)

P: 646-829-9701

**Toronto Stock Exchange**

*Neither the Toronto Stock Exchange nor its regulation services provider (as that term is defined in the policies of the Toronto Stock Exchange) a responsibility for the adequacy or accuracy of this release.*

**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 statements with respect to the anticipated dates for filing the Company's financial disclosure documents. 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. No assurance can be given that the foregoing will prove to be correct. Forward-looking statements made in this press release assume, among others, the expectation that there will be no interruptions or supply chain failures as a result of COVID 19 and that the manufacturing, broker and supply logistic agreement with the Company do not terminate. 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.*

