

Else Nutrition Reports 219% increase in the Fiscal Year 2021 Revenues

VANCOUVER, British Columbia, March 31, 2022 — **ELSE NUTRITION HOLDINGS INC (BABY) (BABYF) (OYL.F) (“Else” or the “Company”)** the Plant-Based baby, toddler and children nutrition company, today announced results for its Fourth Quarter and Fiscal Year ended December 31, 2021. The financial statements and MD&A are available on SEDAR under the Company’s profile.

Fourth Quarter and Fiscal Year 2021 Financial Highlights

- Fiscal year 2021 revenues were \$4.7M, a 219% increase versus \$1.5M in Fiscal Year 2020, driven by the expansion of our toddler products across all channels and the introduction of the new Kids Complete Nutritional shake product line.
- 4Q21 revenues were \$1.3M, an 8% increase versus \$1.2M in 3Q21, driven by continued expansion into retail stores and steady online sales growth.
- Cash balance as of December 31, 2021 was \$25.5M (including restricted cash and short-term bank deposit).
- The Company had no Loans liability as of December 31, 2021.
- Company has graduated to the Toronto Stock Exchange.

1Q2022 Outlook: Else Nutrition expects revenues in the First Quarter of 2022 to be in the range of \$1.45M to \$1.6M, representing a 15% to 25% sequential increase versus 4Q21. The robust preliminary results are due to the strong performance of our products in both online and retail channels.

4Q and FY2021 Business Highlights -

- Doubled sales on Else’s e-commerce store and on Amazon.com during 2021.
- Expanded US retail presence to more than 1,200 stores, and continue to increase retail sales velocity (reached 1.2 UPSPW at Sprouts). Several retailers 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.
- Launched Kids Complete Nutritional shake (3+ years; in powder form) in online and retail channels. The product is available on elsenutrition.com, Amazon.com, and iHerb, and soon will be available on Walmart.com, Kroger-owned online platforms, Sprouts Farmers Market, Rouses and Thrive Market.

- Completed the development of a new line of products – Super Cereals, for infants (6+ months) and Toddlers. These new products will be launched in April 2022 in the US.
- Continue the development of a Ready to Drink line of products.
- 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.
- Expanded Else Advisory Board to include leading Pediatric Global Key Opinion leaders.
- 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 happy with the progress we made in 2021, as we continue our journey to become a global leader in the plant-based nutrition arena. In 2021 we focused on growing our online sales while penetrating US retail stores, and we are proud to report that our Plant-Based Complete Nutrition products for Toddler is in over 1,200 bricks and mortar stores as well as in 5 large and reputable online retailers. We are excited that retailers are experiencing solid and growing sales velocity of our products, and we are seeing growing reorders with many of those retailers. In 3Q21 we expanded our product offering with the launch of our Kids Shakes, which was received well by the market with orders coming from retailers such as Sprouts and distributors such as KeHE."

"We achieved substantial progress in 2021 despite the challenges of the COVID-19. The global pandemic impacted all areas of our business, including delays in raw material deliveries, significant increases in transportation costs, delays in clinical and product development projects, as well as the absence of key personnel. Due to lockdowns and other COVID-19 related measures, most of our meetings, marketing events, conferences and expos were either canceled or turned virtual, slowing down the pace of our business development efforts. With restrictions easing in 2022, we expect the pace of our growth to accelerate once again."

- We are continuing to see stronger re-orders from the retailers which we began selling to in 2021. Furthermore, by the end of 2022 we expect to triple our door count to roughly 4,000.
- During 2022 our product range will grow to roughly 8-10 products and over 20 SKUs in

the US alone. We have and will introduce two exciting new product lines, a non-organic Toddler Omega product with a more affordable price point that will allow more babies to enjoy Else, and Super Cereal in flavors for 6+ month babies. We also plan to add liquid products for Kids and/or Adults later in the year.

- International expansion will be a focus for Else in 2022. In 2Q2022 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, by the end of Q2 we expect to enter the UK and Western Europe via Amazon. We also expect to start selling online in China (Cross Border) in mid-2022.

FDA Update

- In Q4 2021 Else concluded a successful preclinical safety study on 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 study results 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 also worked on preparations for the three clinical studies planned for 2022. 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.

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 as 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 or @elsenutrition on Facebook and Instagram.

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