

Else Prepares to Enter The \$52B Global Kids Nutrition Market with Ready-To-Drink Kids Nutritional Shakes

Else Nutrition to Unveil Highly Anticipated Ready-To-Drink Kids Nutritional Shakes at Expo East 2023 in Philadelphia September 21 to 23



VANCOUVER, British Columbia, Aug. 03, 2023 — **ELSE NUTRITION HOLDINGS INC. (BABY) (BABYF) (OYL.F) (“Else” or the “Company”)**, announces it will introduce its first-ever Ready-To-Drink (RTD) products in the form of Kids Nutritional Shakes in Vanilla and Chocolate flavors. These will be unveiled at the upcoming Natural Products Expo East in September 2023 at booth 2238. This debut marks the company’s significant expansion from its successful powdered product range into the larger, fast-growing RTD market.

Leveraging the impressive performance of their powdered nutritional drinks and protein shakes for kids, which emerged as the fastest-growing products in the “Infant Formula & Toddler Nutrition Drink” category in the natural channel in 2022, Else Nutrition is now taking a significant step into the larger RTD market, capitalizing on their acclaimed quality and plant-powered nutrition.

The Kids Nutrition market revenues were estimated at US\$52 Billion in 2022 and are anticipated to grow at a CAGR of 5.5% from 2023 to 2033, according to a recently published Persistence Market Research report. By the end of 2033, the market is expected to reach a valuation of US\$94.5 billion. North America accounts for 31.6% of the kid’s nutrition Ready to Drink global market.

Particularly throughout the early, formative years of life, children require nutrient-rich diets for healthy growth and development. Long-term selective eating in children can prevent them from receiving a complete and balanced diet, which can cause major health problems such as immunological deficiencies, malnutrition, decreased muscle mass, deteriorated bone

health, and stunting which can have long-term effects from bad health outcomes.

Today's parents are worried about their children's eating habits, especially working parents. Globally, there is a rapid increase in the number of working moms. This may result in an unbalanced diet for their child. They may not get an adequate amount of nutrients. This is a serious issue that many parents are facing.

To overcome this and to ensure that their child is availed of all the nutrients, parents prefer nutritious products present on the market.

"This is an exciting moment for Else Nutrition. Breaking into the larger RTD market signifies a substantial growth opportunity, building upon the success of our powdered products," says Hamutal Yitzhak, CEO and Co-Founder of Else Nutrition. "We welcome all retailers and interested parties to join us at Expo East, as we continue to revolutionize children's nutrition."

Like their powdered counterparts, these new RTD Kids Nutritional Shakes are Clean Label Project Purity certified, free from chemicals of concern, as well as industrial and environmental toxins, including heavy metals. They're free of gluten, dairy, soy, corn syrup, and GMOs, packed with protein, healthy carbs, healthy fats, and over 20 essential nutrients. Notably, they contain significantly less sugar than leading brands, illustrating Else Nutrition's commitment to clean, minimally processed nutrition.

After their unveiling at Natural Products Expo East (booth #2238 from September 21 to 23), the shakes will be available across the US. Notably, Else Nutrition Kids Shakes powdered products have been approved for US federal insurance billing, making them more accessible to families nationwide.

To learn more about Else Nutrition and its range of products, visit www.elsenutrition.com

Additionally, the Company announces that it has extended the vesting deadline for an aggregate of 31,801,492 performance warrants (the "**Performance Warrants**") by two years to June 12, 2027.

The Performance Warrants were issued to certain key members of management of the Company in connection with the completion of the Company's qualifying transaction on June 12, 2019. Each Performance Warrant entitles the holder to receive one common share of the Company, with vesting of the Performance Warrants occurring in stages upon achieving certain business milestones. The vesting deadline for the Performance Warrants was previously extended to June 12, 2025, in 2021 due to industry delays resulting from COVID-19. As amended, all Performance Warrants that have not been vested by June 12, 2027, will expire.

The extension of the Performance Warrants was approved by shareholder vote, excluding the

votes of the holders of the Performance Warrants, at the Company's shareholder meeting held on June 29, 2023. A description of the business milestones is provided in the meeting materials sent to shareholders and is available on SEDAR. The Company has also received conditional approval of the Toronto Stock Exchange to the extension of the vesting deadline of the Performance Warrants.

The amendment of Performance Warrants constitutes a "related party transaction" as contemplated by Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**"). The amendment is exempt from the valuation requirement under section 5.5(a) of MI 61-101 as the amendment represents less than 25% of the market capitalization of the Company.

About Else Nutrition Holdings Inc.

Else Nutrition Holdings Inc. (TSX: BABY, OTCQX: BABYF, FSE: 0YL) 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 formulas. 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, gained national retailer support, and achieved rapid sales growth.

Awards and Recognition:

- "2017 Best Health and Diet Solutions" award at Milan's Global Food Innovation Summit
- #1 Best Seller on Amazon in the Fall of 2020 in the New Baby & Toddler Formula Category
- "Best Dairy Alternative" Award 2021 at World Plant-Based Expo
- Nexty Award Finalist at Expo West 2022 in the Plant-Based lifestyle category
- During September 2022, Else Super Cereal reached the #1 Best Seller in Baby Cereal across all brands on Amazon

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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 does 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.

A photo accompanying this announcement is available at
<https://www.globenewswire.com/NewsRoom/AttachmentNg/e77cfc2b-7a2b-41bd-8c83-7bcff3efab79>

