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ELSE NUTRITION HOLDINGS, INC. TSXV: BABY / OTCQX: BABYF

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INVESTOR CONFERENCE

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. Else’s Executives include 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.



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**A video replay of the Else Nutrition Fireside
Chat is available at:**
[https://wsw.com/webcast/lytham3/
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As part of the Lytham Partners Winter 2021 Investor Conference, Ben Shamsian, Vice President, Lytham Partners, conducted a Virtual Fireside Chat with Hamutal Yitzhak, CEO of Else Nutrition.



Ben Shamsian, Vice President, Lytham Partners

Hello everyone and thank you all for joining us during the Lytham Partners Winter 2021 Investor Conference. My name is Ben Shamsian, Vice President of Lytham Partners. During this fireside chat, we welcome Else Nutrition, ticker symbol, BABYF on the OTC and BABY on the TSXV. Presenting from Else is Co-Founder and CEO, Hamutal Yitzhak.

Before we begin for those not familiar, Lytham Partners is one of the country's leading investor relations firm. With more than two decades of corporate access experience, we have built one of the industry's most diverse and effective platforms for connecting small cap companies with high quality and focused institutional investors, while creating a framework of best practices in all aspects of investor relations.

With that I just want to point you to a quick slide disclaimer. And with that said, let's begin Hamutal, if you can start with you providing a brief overview of the company and your background.

Hamutal Yitzhak, Chief Executive Officer, Else Nutrition Holdings, Inc.

Hi Ben, very happy to be with you today. Else Nutrition is a global leader and an expert in plant-based baby nutrition. Our team of infant nutrition industry veterans led global brands operations in Israel and have developed and patented the world's first dairy and soy free plant-based infant formula. **We have a unique and exclusive IP protected alternative in this \$80 billion market.** Additionally, our formula is produced from clean, whole-food ingredients, as opposed to the rest of our industry who use highly processed ingredients. Else started selling its in the U.S. market late 2020.

In 2021, we scaled our business and created a robust platform for growth in 2022, and onwards. We have developed a proprietary and groundbreaking product line. We have proven the product's viability and superiority over existing potential competitors. We have built an entire ecosystem to support billions of dollars in potential sales and massive distribution infrastructure in North America. We're taking off now across all our channels and we're building the science, advocacy and communication of the scientific evidence that links plant-based nutrition to healthy growth and development of infants, children, and later down the road also for adults. **We anticipate hundreds of millions of dollars in revenues over the next five years.**

Ben Shamsian, Lytham Partners

Great. Thank you. Let's talk about the competitive landscape. What do you see in the market today in terms of real competitors to what you're doing?



Hamutal Yitzhak, Else Nutrition Holdings, Inc.

Else is actually a trailblazer in its field and beyond, providing the market with the first plant-based and soy free alternative. We don't really have any direct competition. We consider the premium infant formulas segment like organic dairy-based formulas, as well as goat milk and specialty dairy formulas that actually cater to allergic and intolerant kids as our competitors. There is a small niche segment in Europe based on hydrolyzed rice protein sold only in pharmacies to allergic babies which also has been there in the market for many years, but it is not a very successful segment. It has a lot of problems with arsenic and things like that. So **we are actually the only one in our space, which is soy free and also plant-based.**

Ben Shamsian, Lytham Partners

You have now been selling on Amazon for over a year. Can you share some data and analytics that on what you are seeing and what is Amazon telling you regarding your performance?

Hamutal Yitzhak, Else Nutrition Holdings, Inc.

We are growing rapidly on amazon.com, averaging more than 10% month-over-months growth. According to Amazon's report, we have exceeded similar brands in our category in all parameters such as purchase rate and repurchase rate, for example. Our repurchase rate on amazon.com is 62% compared to 40% to 45% for brands in the same category, for the Toddler category, and Toddler Formula category.

Another interesting statistic, 60% of our purchasers have purchased our product at least 10 times or more. Our subscription on the platform have grown rapidly and continues to grow. **Amazon is constantly growing our inventory allocation, which has become a big issue on Amazon today, as we sell faster than they allow us to replenish stock.** Amazon is happy with our performance and is working with us to increase our investment in the platform. For example, we did quite a big sampling program of 10,000 samples that were sent to 10,000 different subscribers of Amazon.

And now Amazon has asked us to start selling through Amazon Europe. The sampling program was very successful. Such programs are things that are not all offered to every seller on Amazon. Those are things that are offered to certain sellers who exceed their performance. And this is what we see on Amazon. We're also working to start selling on Amazon Canada next year.

Ben Shamsian, Lytham Partners

That's great. Let's move on to brick and mortar. In 2021, you rolled out to about 1,000 brick and mortar doors. What's 2022 going to look like in terms of reorders, additional doors, help us navigate that?

Hamutal Yitzhak, Else Nutrition Holdings, Inc.

So far our presence in the retail space has been mostly in small natural food chain stores, which typically have smaller format stores than the big or medium grocers. In 2022, we plan both to dramatically increase our store count and more importantly list



Hamutal Yitzhak, Else Nutrition Holdings, Inc. (cont.)

in bigger formats, larger grocery chain stores with thousands of stores and improve our velocity through adding new SKUs and generating higher demand for our brand.

These are the two main efforts that we plan on for 2022. As mentioned, we are working hard to list larger grocery retailers and also drug retailers. We already get regular reorder, purchase orders from our distributors and online retailers.

Ben Shamsian, Lytham Partners

Going back to Amazon, you have talked about in 2022 Amazon taking you to seven largest European markets. That's about 300 million people. Talk a little bit more about that, time-wise and specific countries, if you could?

Hamutal Yitzhak, Else Nutrition Holdings, Inc.

[Following Amazon's realization of our brand great success and growth trajectory on amazon.com, Amazon EU approached us and suggested to place us in five to seven major European markets.](#) Their largest markets that exist for Amazon in Europe, it's the UK, France, Germany, Spain, Italy, Netherland, and Sweden. And they want to assist us in the on-boarding process which we currently do on our own.

We're planning to launch on in Q1 2022. We're already preparing everything, doing all the paperwork, all the back office set work that needs to be done. We're working on the new labels and production of the products has already been done. We're now working on the labels for each of the countries. The program will allow us to ship products from the U.S. directly to the different Amazon DCs, distribution centers in Europe, making supply chain simpler. This is a great opportunity for Else to start its first steps in Europe, which will later down the road be followed by brick and mortar distribution in those countries.

Ben Shamsian, Lytham Partners

Let's talk a bit about China, obviously a large market. Where are we on that front? What can we expect in 2022? Are you in talks with any distributors? Help us learn a little bit more here.

Hamutal Yitzhak, Else Nutrition Holdings, Inc.

So in China, we are working on several fronts. We are making market research efforts together with Chinese partners to gain a more comprehensive understanding of the market. We already have a lot of understanding of it, but still we need a more comprehensive data on the entire market, including mainland, China, as well as the e-commerce platform. This is a work in progress project, and we are in advanced discussions with one of the largest Chinese online distributors for cross-border distribution to take our U.S. products as they are with of course Chinese labels to take them online to Chinese consumers. This is something that's going to happen quite soon. This effort, if successful, should bring the first online sales in the first half of 2022, or I would say even before that.

We are working with potential importers to offer our products to brick and mortar in mainland, China. This will probably happen towards the end of 2022, or even at the beginning of 2023. And we are also in discussions about distribution options with our strategic partner H&H Group, that include Australia and China. Australia is a gateway



Hamutal Yitzhak, Else Nutrition Holdings, Inc. (cont.)

to China and the products that will be sold in Australia actually can be sold through cross-border platforms also in China. And this process may also bring this results in the second half of 2022.

Ben Shamsian, Lytham Partners

Let's move on to products. You have rolled out some nice lines of differentiated products this year. Can you talk about a little bit of the rollouts in 2021 and what you're seeing so far from the new products and what we can look forward to in 2022?

Hamutal Yitzhak, Else Nutrition Holdings, Inc.

So we've launched the Toddler Nutrition as well as full line of kids nutritional drinks in powder form in the States already. And we are anticipating the launch of a line of super cereal or super nutrition products for six months' babies as well. I guess that will be launched at the beginning of 2022. And after that, we are anticipating a liquid product in the U.S. All these product lines, or at least some of them will also be introduced in Canada and also in Europe. The regulation is not similar, so we have to make some tweaks in the composition of those products. So we prepared a full line of products for the Canadian market, as well as for the European market.

For the Chinese market, we will start with our U.S. product, which will be actually imported into China through those cross-bordered online platforms that enable foreign brands that are sold in other countries to be imported into China, as they are just with Chinese labels. After that, we will be also creating a set of Chinese compatible products that will be imported into China and sold in mainland, China. This is a different set of products and it is now in development and regulatory assessments.

With regards to the infant formula, we are in the process of demonstrating the safety and suitability of our infant formula line and its ingredients. And during 2022, we plan to finalize the first step of three clinical studies and start the clinical growth study along with conducting a few more clinical studies to establish the scientific basis for the new infant formula notification for submission to the FDA, which is anticipated by the end of 2023.

Ben Shamsian, Lytham Partners

That's helpful. Please help us understand the FDA approval? The timing? What that allows you to do or accomplish?

Hamutal Yitzhak, Else Nutrition Holdings, Inc.

So once we are FDA compliant in terms of the infant formula, that means that they have no objections to our process, to our clinical studies, and to the entire submission. That means that we are entitled to sell our product from zero for newborns in the States. And that means that we could also sell this product in China, because it will go through the cross-border platforms. As I said, they would import the products from the U.S., and only need to change the label. And we don't have to make any other changes to the composition or conduct any other additional clinical studies. We just comply through that platform. So that means the Chinese market will also be open for Else as a very unique proposition in that market through our success in FDA. The same study that we're doing for FDA will actually cover Europe as well.

Hamutal Yitzhak, Else Nutrition Holdings, Inc. (cont.)

We've worked very hard to create and design the protocol of this study to be in line with the European regulation. So we can cover both U.S. as well as Europe standards in terms of the clinical study and our capabilities to sell the same product in Europe. That doesn't mean that it'll happen at the same time, because submission to Europe is separate and will have to submit to European direct to EFSA to the European Food and Safety Authority probably in the same time, but it doesn't mean that we'll get the permit at the same time.

But in terms of our entitlements to sell the product or let's say fulfilling our commitments in terms of the clinical studies and what needs to be done, this will be done at the same time. So, as I said, just to make things clear, **we will be entitled to sell the product in the U.S. market, as well as in China through the cross-border once we get the FDA permit. Once we get the EU permit, we'll be entitled to sell it all over Europe, the European Union.**

Ben Shamsian, Lytham Partners

Let's talk about the finances a bit. Company just finished around the financing. You will be graduating to the TSX big board, and the NASDAQ is on the horizon as well. Help us navigate these steps in terms of timing and how you see that developing over the next few months.

Hamutal Yitzhak, Else Nutrition Holdings, Inc.

Yeah, so we're very excited to be able to graduate onto the TSX in the coming months. It's supposed to be happening very soon in early 2022. The decision was one that we carefully evaluated with regards to the right time. We are a young company and we've grown rapidly, and it is a vital that the timing is in line with our growth. Over the next 12 months, we will evaluate the opportunity to further graduate to the NASDAQ. But we will need to be cognizant that the timing is also again in line with our growth. We do not want to take on something we're not ready for it. NASDAQ is an arena, we certainly striving for when the time is right.

Ben Shamsian, Lytham Partners

All right, Hamutal. Thank you very much for your time today. We greatly appreciate it. To anyone out there who's not already signed up for a one-on-one, please send me an email at shamsian@lythampartners.com. That's shamsian@lythampartners.com or again, visit lythampartners.com/virtual and click the one-on-one meeting request button. We hope you enjoy the rest of the conference. Thank you, everyone.



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