



**Else Nutrition Holdings Inc.**

TSX: **BABY** | OTCQX: **BABYF** | FSE: **OYL**

**BABY NUTRITION. REIMAGINED.**

**June 2023**

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and descriptions of such products; the completion of Licensing Agreements for the Dairy Product Substitutes and Whole Meal Snacks product categories, and the depictions and descriptions of such underlying products; and the planned expansion into North American and international markets.

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Factors, assumptions and risks that could cause our actual results to differ materially from those indicated in the forward-looking statements include, among others, consumer demand for Else’s products, whether the Else current and future products achieve commercialization, including completing the scale up and, for certain products, regulatory approval, protecting the patents for the baby formula and further IP maintenance, receiving the necessary regulatory approvals to market and distribute the Else products, uncertainty regarding material changes in laws and regulations, including consumer protection and food regulations, retention of key personnel of Else involved in the production, testing and sale of the baby formula, the activities of competitors, and all related matters, including successful integration of the Golden Heart business, Else’s ability to expand into global markets, general economic and political conditions and other more detailed risks, uncertainties and assumptions set out under the heading “Risk Factors” in Else’s filing statement, which is available on [www.sedar.com](http://www.sedar.com) under the issuer profile of Else. Except as required by

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# LEADING THE INFANT FORMULA PLANT-BASED, CLEAN NUTRITION REVOLUTION

THE WORLD'S FIRST  
WHOLE PLANT-BASED  
DAIRY & SOY-FREE  
INFANT FORMULA



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# ELSE NUTRITION HOLDINGS INC.

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## The world's first whole plant, soy and dairy free, infant formula

Portfolio of nutritional products for babies (cereals 6mths+), toddlers (12mths+) and kids (3yrs+) currently generating revenues in N.A.



Advancing towards FDA approval on infant formula (<12 mths old) anticipated within 18 - 24 mths



- **Exponential Growth:** Global Expansion started 2022 – now focused on strategic partnerships worldwide. 10X NA retail store count growth YoY, and nation-wide Retail & Distribution partners (CVS, Walmart).
- **Plan to Turn Cash flow Positive in 2024:** Expanding market share in the baby, toddler and kids markets, later entering the infant formula market through FDA approval. Else is creating the third alternative to dairy and soy-based formulas, targeting an untapped market.

- **Strong Industry & Scientific Expertise:** On path to becoming the global scientific leader in the clean nutrition / plant-based infant formula market
- **Sustainable Ingredients** expected to have ~65% lower carbon footprint vs. global dairy brands
- **Global Patent Portfolio** includes 3 different patent families, based on 1) composition, 2) process, and 3) usage
- **Cash-Flow Positive:** Plan to be CFP in H2 2024



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# THE CHALLENGE

**All Infant Formulas must meet the Human-milk nutritional gold standard**

**01**

**Full essential amino acid profile ratio**

**02**

**Essential fatty acids profile ratio**




**03**

**Exact macronutrients ratio per 100kcal and per liquid volume**

**Human Milk is a WHOLE FOOD and is digested in its WHOLE form by the baby**



# CURRENT CORE INGREDIENTS IN INFANT FORMULA ARE ULTRA PROCESSED & PROBLEMATIC

<p><b>DAIRY FORMULA</b> </p>	<p><b>SOY PROTEIN FORMULA</b> </p>	<p><b>PLANT-BASED FORMULA</b>  <i>(soy &amp; dairy free)</i></p>
<p>~95% Market Share</p>	<p>~5% Market Share (decreased ~30% to 5% over last ~20 years)</p>	<p>Increasing Market Share</p>
<p><b><u>Problems</u></b></p> <ul style="list-style-type: none"> <li>• Strong allergen</li> <li>• Antibiotics, Hormones, Pesticides</li> <li>• Animal welfare</li> <li>• Major environmental issues</li> <li>• Can not stay in its whole form – must use highly processed derivatives</li> </ul>	<p><b><u>Problems</u></b></p> <ul style="list-style-type: none"> <li>• Strong allergen</li> <li>• Controversial and declining</li> <li>• High levels of phytoestrogens (phytic hormones)</li> <li>• GMO (99%)</li> <li>• Chemically extracted Protein</li> <li>• Can not stay in its whole form Protein must be chemically isolated/processed.</li> </ul>	<p><b><u>Preferred Solution</u></b></p> <ul style="list-style-type: none"> <li>• Advancing toward hypoallergenic stamp through clinical study</li> <li>• Core ingredients have ~65% lower carbon footprint</li> <li>• Free of Antibiotics, Hormones, Pesticides, GMOs and heavy metals</li> <li>• ZERO chemical processing, based on whole food ingredients</li> </ul>



# GROWTH CATALYSTS

## GLOBAL INFANT FORMULA MARKET

**2020**  
US\$79.3 Billion



**By 2026**  
US\$132.4 Billion  
Global CAGR: 8.9%

**GROWTH SUPPORTED BY**  
CONSUMERS LOOKING FOR CLEANER, MORE  
SUSTAINABLE ALTERNATIVES

**IN 2020, 40% OF INFANT MILK FORMULA SOLD  
IN THE U.S. WAS SPECIALTY COW'S MILK  
FORMULA, CATERING TO ALLERGIES /  
INTOLERANCES**

Sources: Mordor Intelligence; Else annual information form;  
[US market data Euromonitor 2020](#)

## GLOBAL PLANT-BASED FOOD MARKET

*For plant-based dairy, meat and other plant-based products*

**2020**  
US\$29.4 Billion



**By 2030**  
US\$161.9 Billion  
Global CAGR: ~18%

**GROWTH SUPPORTED BY**  
ADOPTION OF ALTERNATIVE FOOD OPTIONS  
BY RESTAURANT CHAINS, PLANT-BASED  
MARKET LEADERS, AND HEALTH AND  
SUSTAINABILITY BENEFITS



**ELSE IS CREATING A SUSTAINABLE  
PLANT-BASED ALTERNATIVE INFANT  
FORMULA – AN UNTAPPED MARKET**

Source: [Bloomberg](#)

# SUSTAINABILITY

## ELSE CORE INGREDIENTS VS. STANDARD DAIRY FORMULAS

**~65%  
lower  
carbon  
footprint**

Else Nutrition formula			Dairy formula			
Almond butter	Tapioca Maltodextrin	Buckwheat	Whey protein, 80% protein	Lactose	Skimmed milk powder	Vegetable oils
Climate footprint:	Climate footprint:	Climate footprint:	Climate footprint:	Climate footprint:	Climate footprint:	Climate footprint:
<b>5.3</b> kg CO <sub>2</sub> e/kg	1.7 kg CO <sub>2</sub> e/kg	<b>2</b> kg CO <sub>2</sub> e/kg	<b>10</b> kg CO <sub>2</sub> e/kg	1.1 kg CO <sub>2</sub> e/kg	<b>10</b> kg CO <sub>2</sub> e/kg	6.1 kg CO <sub>2</sub> e/kg
Gate: at factory gate	Gate: at factory gate	Gate: at factory gate	Gate: on store-shelf	Gate: at factory gate	Gate: at factory gate	Gate: at factory gate
*as calculated by carboncloud.com						

**AVG: 3.65 Kg CO<sub>2</sub>e/Kg**

**AVG: 10 Kg CO<sub>2</sub>e/Kg**



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# PRIMARY PLAYERS IN INFANT FORMULA MARKET

<p><u>CATEGORY</u></p>	<p><u>NOTABLE COMPANIES &amp; BRANDS GLOBALLY</u></p>			
<p><b>DAIRY FORMULA</b>      <b>SOY PROTEIN FORMULA</b></p> 	  <p><b>Similac</b></p> <p><b>EleCare</b></p>	  	   	   
<p><b>WHOLE PLANT-BASED FORMULA*</b> <i>(soy &amp; dairy free)</i></p> 				



\*Pending FDA approval

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# THE ULTIMATE SOLUTION

We have globally patented the world's first

**Whole Plant-based,  
Non-Dairy, Non-Soy, Clean label**

Infant Formula.\*



Baby Cereal



\*Additional patent applications are being filed to protect new recent developments and innovations

## OUR IN-MARKET PRODUCTS



## INFANT FORMULA PENDING FDA APPROVAL



# OUR SECRET SAUCE

## A two-fold paradigm shift:

Novel protein source  
& Ingredient processing method

Avoiding controversial proteins  
& highly processed ingredients

- ✓ All natural
- ✓ Core ingredients kept in their natural composition
- ✓ Composition meets the Infant formula global standards
- ✓ Free of hormones, antibiotics, gluten, Hexane, GMO
- ✓ Sustainable: minor ecological footprint
- ✓ Cleanest Label

The only infant formula brand to use clean whole food ingredients



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# ELSE'S DISRUPTIVE GAME CHANGING PROCESS

**Beyond Organic | Whole foods | All Natural**



**The world's only formula maintaining the natural way of nutrients digestion as intact proteins in their natural food matrix**

- Transforming 3 real whole food plants in their natural form using an all-natural Enzymatic / Mechanical process that **creates a formula with a whole complex of nutrients similar to the nutritional matrix Human Milk in that sense.**
- **NO** Chemicals / Acids / Solvents involved
- **NO** Protein Isolates / Hydrolysates / Ingredient Derivatives
- **NO** Alteration of the Ingredients' Chemical Structure



# N.A. RETAIL DISTRIBUTION MILESTONES

## 1Q21- 1Q23





# DISTRIBUTORS

Engaged with the two largest US natural food distributors (60,000 potential doors)

## UNITED STATES



30,000 Doors



30,000 Doors

## CANADA



# RETAILERS

## UNITED STATES

## CANADA



### Retail Stores

### Online



## Increase in Units Per Store Per Week (UPSPW)

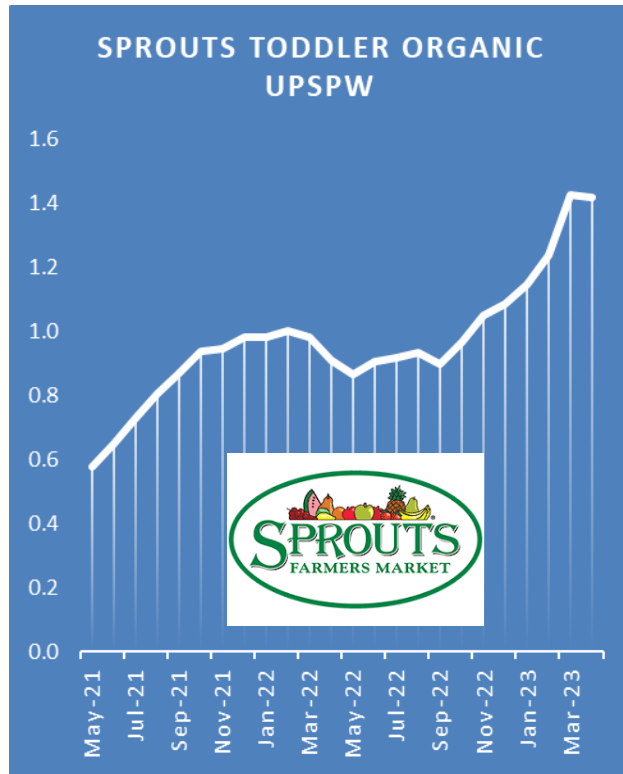
ITEM	L52 weeks	L24 weeks	L12 weeks	L4 weeks
Organic 	0.66	0.85	0.98	1.13
Vanilla 	0.10	0.14	0.20	0.30
Chocolate 	0.07	0.10	0.15	0.30
Original 	0.09	0.17	0.25	0.63
Vanilla 	0.07	0.14	0.27	0.47
Banana 	0.07	0.15	0.27	0.43
Mango 	0.05	0.11	0.21	0.41



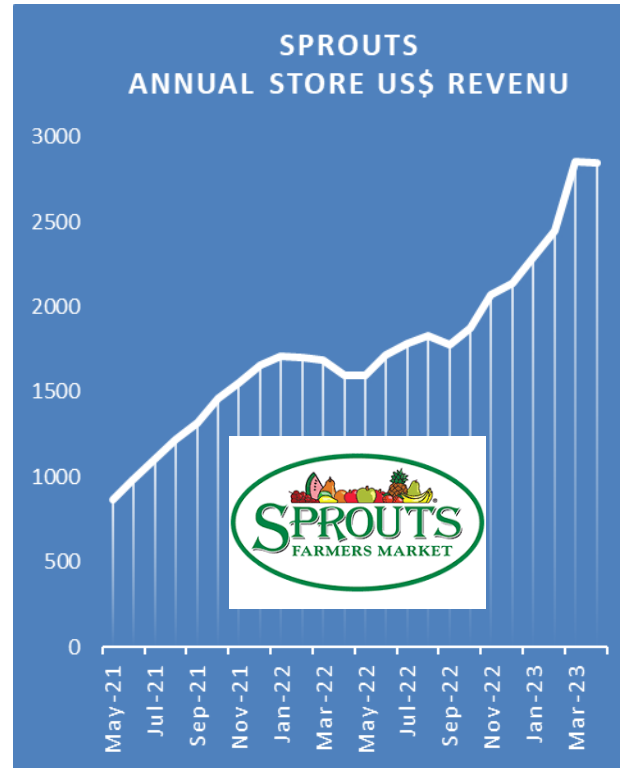
**SPINS**<sup>®</sup> \*week ending 3.26.23

# IN-STORE VELOCITY / GROWTH NATURAL GROCERS CHANNEL

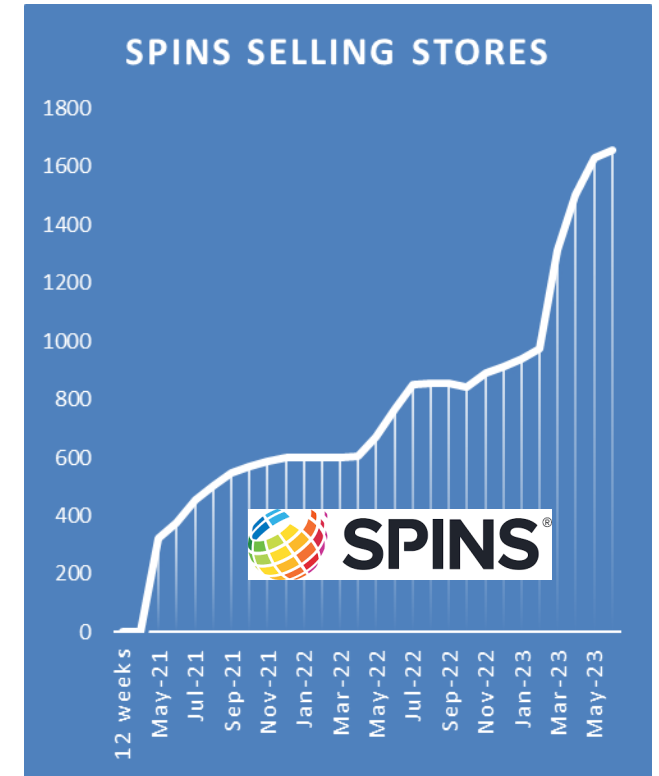
**2x UPSPW (Toddler Organic)  
(Else 1.5 vs Category Standard 1)**



**3x ANNUAL REVENUE / STORE  
Natural Food Target of \$3,000**



**# STORES Reported  
on SPINS**



# 12 MONTHS DISTRIBUTION FORECAST

## NORTH AMERICA

- Anticipating **20,000 DOORS** by EOY
- Planning to **DOUBLE #POD** by EOY (25,000 to 50,000)

## CHINA

- Generate **SIGNIFICANT REVENUES in 2024**
- Currently on many e-commerce platforms with more pending

## AUSTRALIA

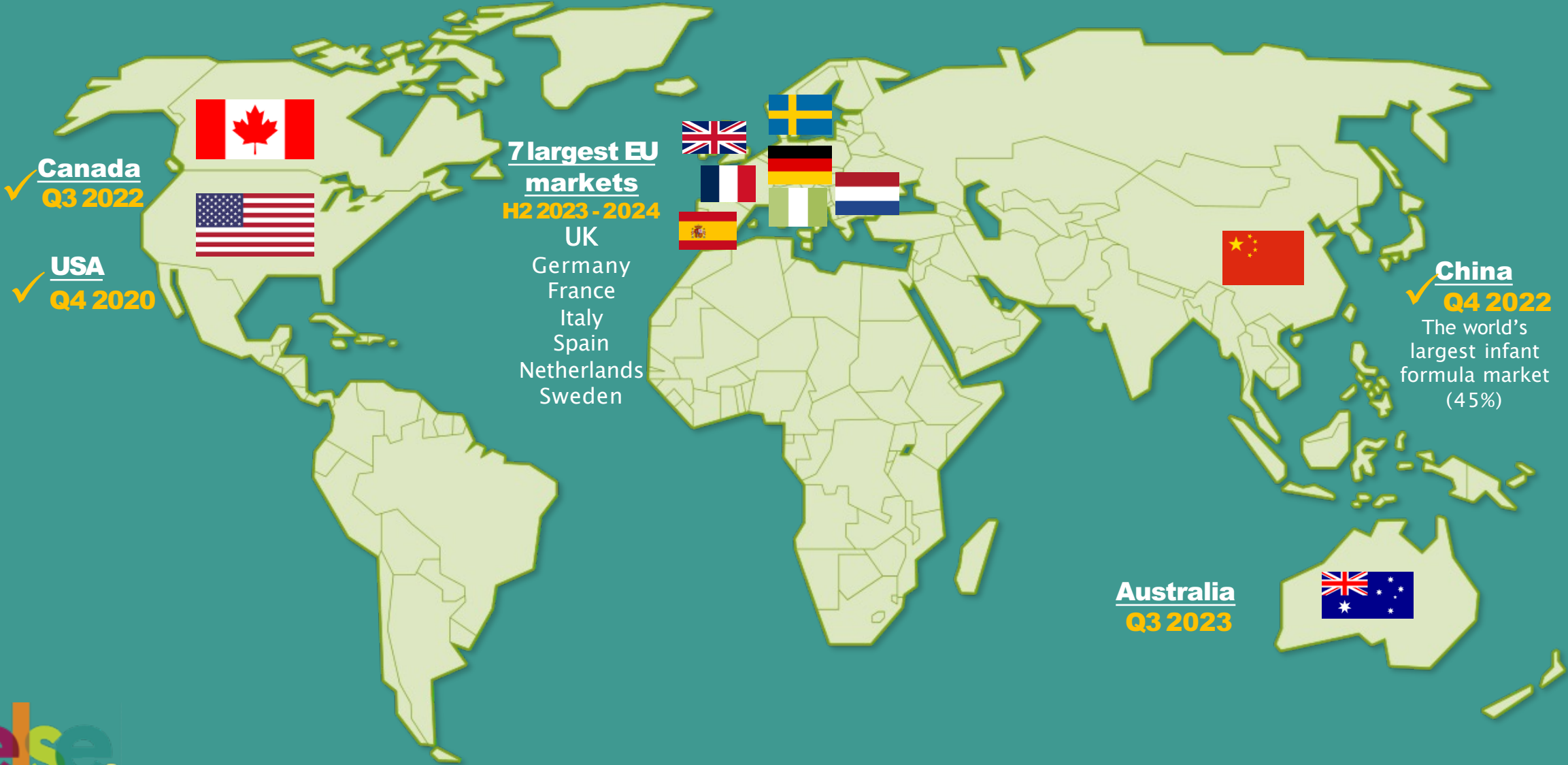
- **Q3 2023:** Launch additional gateway to China cross-border platform with a **NOVEL** product line launch

## EUROPE

- **H2 2023–2024:** Launch into the largest EU markets starting with UK to be followed by additional countries in 2024



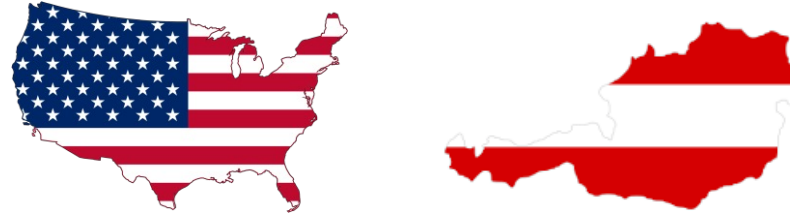
# GLOBAL EXPANSION (2023-2024)





# MANUFACTURING

- Tripled manufacturing capacity with 3 new partners 2 in USA and 1 in Europe
- Proprietary processing for demineralized buckwheat pilot - now becoming commercial and cost effective



- Piloting with a NA manufacturing partner – RTD liquid line planned to be launched 4Q23 in US and Canada.

# PLAN TO TURN CASH FLOW POSITIVE H2 2024

## COST REDUCTION (Economies of Scale):

- Raw Materials
- Manufacturing Costs (50% reduction expected in Q4 2023)
- Marketing Costs (50% reduction effective Q1 2023)
- Geographic expansion based on strategic and local collaborations, while limiting the company's investments in marketing and sales.

# FDA UPDATE

## Clinical study on infant formula expected to begin Q2 2023

- Two preclinical studies to support safety of the ingredients and the infant formula protein quality were successfully concluded
- The clinical development plan of the infant formula:
  - Infant safety study to demonstrate the safety of the new infant formula – planned to start Q2
    - Pregnant women recruitment waiting list is in place
    - Clinical study protocol was initially IRB (ethical committee) approved, patient facing documents and study promotional materials approved (ethical committee)
    - Pending FDA protocol and statistical plan review and alignment prior to study initiation
- GRAS dossiers are under preparation and will include the preclinical studies' results
- New infant formula notification will follow



# else LEADERSHIP



**Hamutal Yitzhak**  
CO-FOUNDER, CEO, DIRECTOR



- Former Head of Infant Nutrition at Abbott Labs Israel.
- Founder & Partner in Golden Heart Baby Snack Co.



**Uriel Kesler**  
CO-FOUNDER, COO, DIRECTOR



- Former GM PL Infant Formula at Promedico Healthcare Group, Israel.
- Founder & Partner in Golden Heart Baby Snack Co.



**Michael Azar**  
CO-FOUNDER, CTO



- Former CEO & Chief Food Technologist at Materna (acquired by Nestlé).
- Infant Nutrition production expert.

# NORTH AMERICA

## WORLD CLASS Scientific Advisory Board



**Prof.  
Bo Lonnerdal**



**Prof.  
Carlos Lifschitz**



**Prof.  
Carina Venter**



**Prof.  
Jon A Vanderhoof**



**Dr. Susan Baker  
MD, PhD**



- Professor of nutrition & medicine of UC Davis
- WHO consultant
- Founder of the International Society for the study of breast milk and lactation (ISRHML).
- Member of American Society for Nutritional Sciences (ASNS), American Society for Clinical Nutrition (ASCN) and Society for International Nutrition Research (SINR)



- Author of 95 peer reviewed publications and 2 books.
- Member of International Editorial Board of the journal Pediatric Gastroenterology, Hepatology and Nutrition (JPGN).
- Associate Physician at the Italian Hospital, Buenos Aires, Argentina



- Associate Professor of Pediatrics, Section of Allergy/Immunology at the Children's Hospital Colorado and University of Colorado, Denver



- Former Vice President, Global Medical Affairs at Mead Johnson Nutrition
- Pediatric Gastroenterologist at Boston Children's Hospital
- Senior Lecturer in Pediatrics at Harvard Medical School, USA



- Tenured professor of Pediatrics at the University at Buffalo.
- Murray Davidson Award by the American Academy of Pediatrics
- Recognized for an outstanding clinician, educator, and scientist who made significant contributions to the field of pediatric gastroenterology, hepatology, and nutrition.





# EUROPE

## WORLD CLASS Scientific Advisory Board



**Prof.  
Olle Hernell**



- A former member of the committee of Nutrition as well as the Council of the European Society for Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN) and former chair of the Swedish Royal Academy of Sciences' National Committee on Nutrition and Food Sciences.
- A professor emeritus, former head of pediatrics at the department of Clinical Sciences, Umeå University, Sweden.



**Prof.  
Ra'anán Shamir**



- Past President of ESPGHAN – European Society for Pediatric Gastroenterology Hepatology and Nutrition
- Professor of Pediatrics, Sackler Faculty of Medicine, Tel-Aviv University
- Chairman, Institute of Gastroenterology, Nutrition and Liver Diseases, Schneider Children's Medical Center, Israel



**Prof.  
Yvan Vandenplas**



- Head of Department KidZ Health Castle and Child Gastroenterology and Nutrition, Vrije University Hospital Brussels, Belgium



**Prof.  
Hania Sajewska M.D**



- Former member of the Council, General Secretary of ESPGHAN, Secretary of the ESPGHAN Nutrition Committee.
- Chair of the Department of Pediatrics at the Medical University of Warsaw.
- BOD member of the International Scientific Association for Probiotics and Prebiotics.



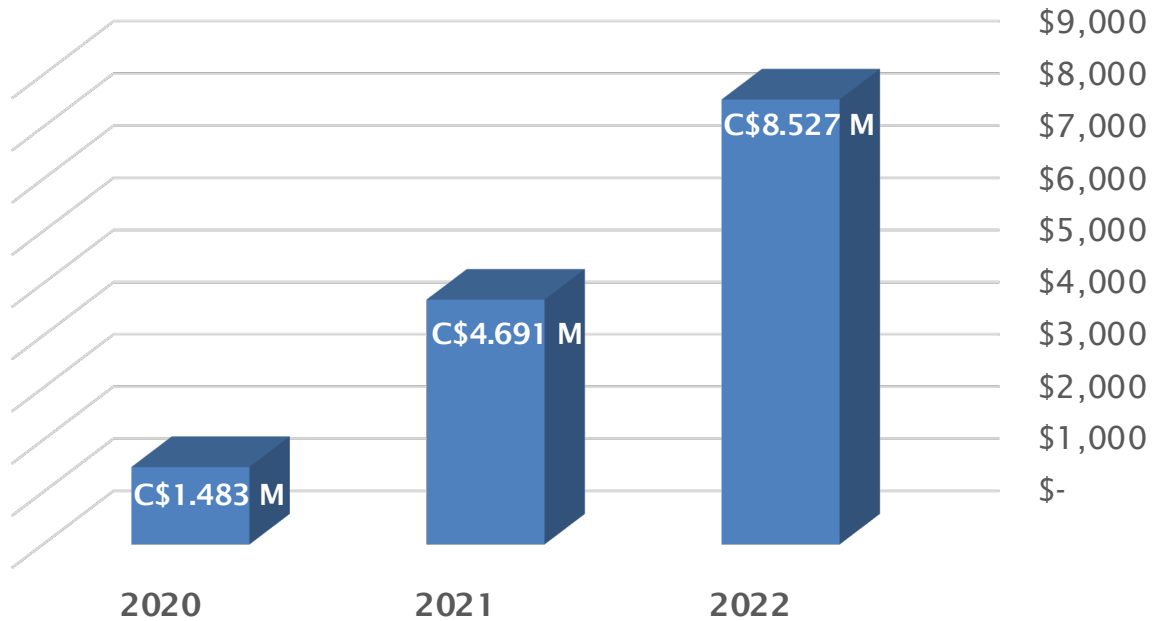
**Prof.  
Ron Shaoul M.D.**



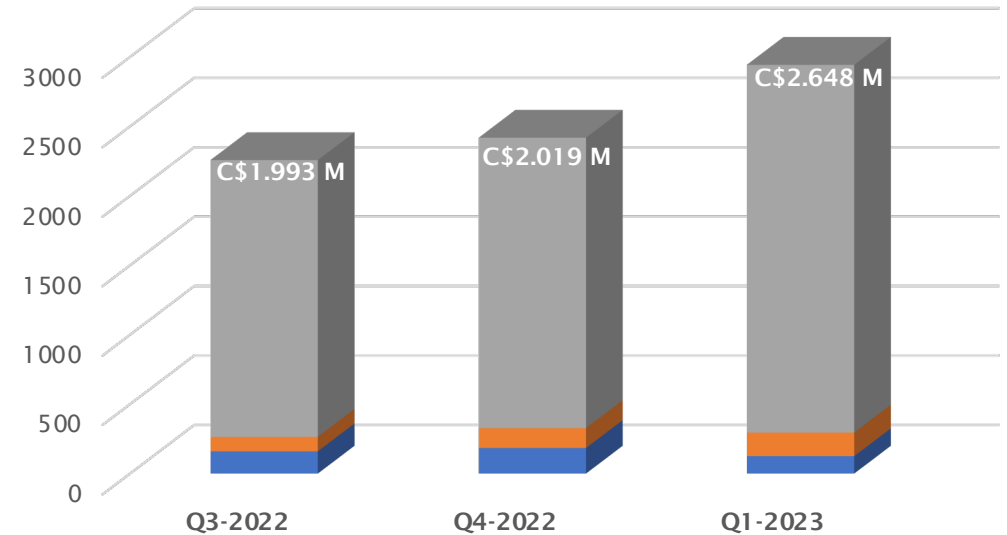
- Member of the ESPGHAN Porto pediatric IBD working group
- Director of the Pediatric Gastroenterology Unit at Ruth Rappaport Children's Hospital, Haifa, Israel
- Clinical Associate Professor in Pediatrics at the Rappaport Faculty of Medicine
- Member of the European Pediatric Inflammatory Bowel Disease Working Group.

# ELSE NUTRITION FINANCIALS

Annual Revenue Growth ('20 - '23)



Quarterly Revenue Growth (3Q22 - 1Q23)



- **C\$10.1 M Cash (as of March 2023)**
- **Retail Store Locations**
  - ~12,000 1Q23 vs. ~1,200 1Q22 (10X)



# CAPITAL STRUCTURE

As of May 31, 2023

TSX: BABY | OTCQX: BABYF | FSE: OYL

Market Cap (issued S/O)	C\$85.7 M
Share Price	C\$0.76
52-Week Price Range	C\$0.48 - C\$1.38
Issued & Outstanding	112,775,220
Founder & Key Person Warrants	31,801,492
Underwriters Warrants	907,474
Financing Warrants	19,276,128
Options Plan Pool	13,533,026
<b>Total Fully Diluted</b>	<b>178,293,340</b>

52-Week Chart



Source: TMX

**MANAGEMENT OWNERSHIP: ~26%**



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# Investment Highlights

- The world's first whole plant-based infant formula (soy & dairy free) – third alternative in market
- Award-winning products with achievement on Amazon for #1 baby cereal
- Strong global patents (composition based)
- Increased retail footprint 10x since 1Q22 to ~12,000 doors
- Strong distribution and manufacturing partners for global expansion
  - ✓ Q4 2020: USA
  - ✓ Q3 2022: Canada
  - ✓ Q4 2022: China – The world's largest infant formula market (45%)
  - ❑ Q3 2023: Australia
  - ❑ H2 2023-2024: Largest EU markets starting with UK
- FDA approval pending on infant formula for U.S. expansion anticipated within 18 - 24 months from start day of the study
- Cash-Flow Positive: Plan to be CFP in H2 2024





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Followers**

