



NEWS RELEASE

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Else Nutrition Announces Million Strategic Investment by NewH² Limited and the Signing of a Distribution Agreement with Health and Happiness International Holdings Limited, a Global Premium Nutrition and Wellness Company

February 19, 2020 – Vancouver, British Columbia – Else Nutrition Holdings Inc. (the “Company” or “Else Nutrition” or “Else”) (TSXV: BABY) (OTCPK: BABYF), a developer of novel plant based infant nutrition is pleased to announce that it has entered into a investment agreement with NewH² Limited, a subsidiary of Health and Happiness (H&H) International Holdings Limited, a Hong Kong Stock Exchange Company(HK:1112), pursuant to which NewH² has agreed to an investment of C\$5.75 million in the Company, as part of an aggregate private placement offering of up to C\$8.0 million.

Pursuant to the private placement the Company will issue up to 12,383,900 (the “Units”) at a price of C\$0.646 per Unit. Each Unit will consist of one common share and 0.25 share purchase warrants, with each whole warrant (a “Warrant”) entitling the holder to acquire one additional common share of the Company at an exercise price of C\$0.969 per share for a period of thirty months from the closing date. NewH² has agreed to purchase 8,900,928 of the Units being offered which will represent approximately 11.15% of the Company’s issued and outstanding common shares assuming all Units are sold.

On closing of the offering, NewH² and the Company will enter into an investor rights agreement pursuant to which NewH² will be granted certain rights to maintain its percentage holdings of common shares in the Company through participation in future financings, and the right to hold one board seat on the Company’s board of directors. Closing of the offering is expected to occur on or about February 26, 2020, and is subject to obtaining stock exchange approval.

The company intends to use the proceeds of the offering to accelerate its anticipated launch in the United States scheduled for the second quarter of 2020, to enhance its toll manufacturing capabilities, to build its distribution relationship with H&H and expedite sales in the new territories, and to undertake additional marketing initiatives, as well as for general working capital.

The Company is also pleased to announce a Memorandum of Understanding (MOU) with Health and Happiness (H&H) Hong Kong Limited for the future distribution of non-dairy non-soy Baby formula and children nutrition drinks in the following markets: France, Hong Kong China (SAR), Cross-Border China, Australia, Italy, and Mainland China. The parties will work together in the coming months to formalize distribution agreements and develop business plans for the aforementioned markets.

“We are thrilled about this relationship, and about the strong alignment between Else Nutrition and the H&H group. The strategic alignment with such a reputable, global and premium, health and wellness brand-builder, coupled with the investment, provide growth potential for our brand globally. It marks a significant milestone in our mission to change the way we feed our babies and families for generations to

come, using real, clean, plant-based alternatives,” said Hamutal Yitzhak, CEO & Co-Founder of Else Nutrition

H&H Group CEO, Laetitia Garnier, said “H&H is very pleased to make this investment and is looking forward to a successful partnership with Else Nutrition. Our NewH² innovation fund is working on some highly innovative ventures that align with emerging consumer trend. The plant based trend is undeniably growing globally, but there are too few products that can fulfil consumers needs while bringing the right nutrition. Else’s revolutionary 100% plant-based non-soy infant formula is a unique proposition and partnering with Else a unique opportunity for us to join forces with a very experienced and forward thinking team, and to drive growth from an early stage with huge upside in a booming category.”

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. The holding company, ELSE Nutrition Holdings Inc, is a publicly-traded company, listed as TSX Venture Exchange under the trading symbol BABY and is quoted on the US OTC Markets QB board under the trading symbol BABYF. Else’s Executive and Advisory Board includes leaders hailing from Abbott Nutrition, Mead Johnson, Boston Children’s Hospital, ESPHGAN (European Society for Pediatric Gastroenterology, Hepatology and Nutrition). Plum Organics, Tel Aviv University’s Sackler Faculty of Medicine, and Gastroenterology & Nutrition Institute of RAMBAM Medical Center.

The Company is a food and nutrition company focused on research, development, manufacturing, marketing, sale and/or license of innovative plant-based food and nutrition products to the infant, toddler, children and adult markets.

About H&H Group and NewH²

H&H Group launched NewH² (with initial funding of US\$60m) in 2018 as a corporate venture to support entrepreneurs who are using advances in technology and science to develop innovative advanced nutrition solutions. NewH² invests in early and growth-stage entrepreneurial businesses which are developing innovative brands, products, technologies or business models in the fields of health and wellness, thus aligning with H&H’s ambition to become a global leader in premium family nutrition and wellness.

H&H, which was founded in 1999 with a vision of contributing to healthier and better lives, has a proven track record in growing entrepreneurial and disruptive brands into powerful and more global offerings. Building its success on “premium, proven and aspirational” products, it has brought together six brands to date, all created by entrepreneurs with the same vision of providing infants or adults with health and wellness: Biostime, Swisse Wellness, Healthy Times, Dodie, Good Goût, and most recently, Aurelia Probiotic Skincare. Listed on the Hong Kong Stock Exchange (code 1112), and with revenues of over US\$1.46bn) in 2018, H&H is a truly global business.

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