ELSE ANNOUNCES FINANCING FOR PROCEEDS OF UP TO US$1.2 MILLION

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VANCOUVER, BC, Jan. 23, 2025 /CNW/ - ELSE NUTRITION HOLDINGS INC. (TSX: BABY) (OTCPINK: BABYF) (FSE: 0YL) (the "**Company**") announces that it has entered into a non-binding term sheet with Lind Global Fund II, LP, an entity managed by The Lind Partners, LLC, a New York-based institutional fund manager (together, "**Lind**"), pursuant to which the parties expect to enter into an amended and restated convertible security funding agreement (the "**Amended Agreement**") for additional funding proceeds of US$1,200,000.

The Amended Agreement will amend a convertible security funding agreement dated December 18, 2022 (the "**Original Agreement**"). The Company and Lind expect that the proposed US$1,200,000 new funding pursuant to the Amended Agreement will be completed in four tranches with the initial US$300,000 to be funded by Lind upon closing, followed by three additional tranches on April 1, 2025, July 1, 2025, and October 1, 2025. The Company will issue convertible securities to Lind with a face value of US$375,000 for each tranche. Each convertible security will have a 24-month maturity date and will be convertible into common shares of the Company (the "**Shares**") after completion of a 120-day lock-up period. Lind will be able to convert 1/20th of the face value of each convertible security each month at a conversion price equal to 80% of the five-day volume weighted average price of the Shares immediately prior to each conversion, subject to a right to increase conversions in certain circumstances. The outstanding face value of the convertible securities, after 180 days, will be repayable in cash at the discretion of the Company, with a 5% premium (the "**Buy-Back Right**"). Should the Company exercise its Buy-Back Right, Lind would have the option to convert up to 33.3% of the face value of the convertible securities into Shares.

Pursuant to the terms of the Amended Agreement, the Company will also issue detached warrants (the "**Warrants**") to Lind to purchase Shares in connection with the new funding. The number of Warrants will be calculated as 100% of the amount of the funding divided by the VWAP per Share during the twenty (20) consecutive trading days immediately before the initial closing date. The Warrants will be exercisable for 48 months from the date of issuance with an exercise price equal to 100% of the 5-day VWAP immediately prior to the closing date.

The Company expects to use the proceeds for general working capital. The transactions described above are subject to negotiation and execution of the definitive Amended Agreement and the approval of the Toronto Stock Exchange ("**TSX**"). Shares issued pursuant to any conversions would be issued under TSX private placement rules and would be subject to four months and one day statutory hold period following closing and would be subject to restrictions under applicable Canadian and United States securities laws.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities offered in any jurisdiction in which such offer, solicitation, or sale would be unlawful. The securities offered have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. persons (as both such terms are defined in Regulation S promulgated under the U.S. Securities Act) absent registration or an applicable exemption from such registration requirements.

About Else Nutrition Holdings Inc.

Else is a food and nutrition company in the international expansion stage focused on developing innovative, clean, and whole 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

For more information, visit www.elsenutrition.com or @elsenutrition on Facebook and Instagram.

About The Lind Partners

The Lind Partners manages institutional funds that are leaders in providing growth capital to small- and mid-cap companies publicly traded in the US, Canada, Australia and the UK. Lind's funds make direct investments ranging from US$1 to US$30 million, invest in syndicated equity offerings and selectively buy on market. Having completed more than 150 direct investments totaling over US$1.5 Billion in transaction value, Lind's funds have been flexible and supportive capital partners to investee companies since 2011. For more information, please visit http://www.thelindpartners.com.

Caution Regarding Forward-Looking Statements

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 "expect", "will" or similar expressions. Forward-looking statements in this press release include but are not limited to, statements with respect to the negotiation and execution of the Amended Agreement and the receipt of funding under an Amended Agreement, the issuance of convertible securities pursuant to the Amended Agreement, and the issuance of warrants under the Amended Agreement. These forward-looking statements are made as of the date of this press release. 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. Although the Company believes the forward-looking statements in this press release are reasonable, it can give no assurance that the expectations and assumptions in such statements will prove to be correct. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the ability of the Company and Lind to negotiate the terms of the Amended Agreement, variations in market conditions; the Company's ability to obtain any necessary permits, consents or authorizations required for its activities; the Company's ability to access further funding, to continue its projected growth, or to be fully able to implement its business strategies. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. 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.

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CO: Else Nutrition Holdings Inc.

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