Annual Information Form

For the fiscal year ended December 31, 2025

Dated as of March 31, 2026

Else Nutrition Holdings Inc.
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PRELIMINARY NOTES

Date of Information

Unless otherwise indicated, all information contained in this Annual Information Form ("**AIF**") of Else Nutrition Holdings Inc. ("**Else**", "**Else Nutrition**" or the "**Company**") is as of December 31, 2025, the end of the Company's most recently completed financial year.

Documents Incorporated by Reference

Incorporated by reference into this AIF are the following documents:

- Filing Statement in respect of the Qualifying Transaction of ASB Capital Inc. dated as of May 14, 2019 (the "**Filing Statement**").

- Audited consolidated financial statements of the Company for the years ended December 31, 2025 and 2024, together with the notes thereto and the report of independent auditors therein.

- Management's discussion and analysis of the Company for the year ended December 31, 2025 (the "**Annual MD&A**").

Copies of documents incorporated by reference are available under the Company's profile on the SEDAR+ website at **www.sedarplus.ca**.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained in this AIF or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this AIF, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Forward-Looking Information

Certain statements contained in this AIF, and in certain documents incorporated by reference herein, contains statements that, to the extent that they are not historical fact, may constitute "forward-looking statements" within the meaning of applicable securities legislation.

Forward-looking statements may include, but are not limited to, statements with respect to:

- financial and other projections, future plans, objectives, performance, revenues, growth, profits or operating expense;
- the use of available funds;
- plans to research, develop, implement, adopt, market and sell new technology or products, including continued research, development and commercialization regarding the Company's products and proposed products;

- estimates and projections regarding the industry in which the Company operates or will operate, including the global baby and toddler food market, infant formula market, nutritional drinks market, and baby feeding accessories market, and expectations relating to trends and the adoption of new products;
- requirements for additional capital and future financing options;
- plans to launch new products, obtain new customers or expand the customer base, and enter into new markets;
- expansion and acceptance of the Company's products in different markets;
- manufacturing and distribution partnerships and agreements;
- plans to identify, pursue, negotiate and/or complete strategic acquisitions;
- plans related to marketing, distribution, and production capacity;
- the timing and possible outcome of regulatory and legislative matters, including, without limitation, planned U.S. Food and Drug Administration ("**FDA**"), European Medicines Agency (EMA) and other regulatory approval processes; and
- future plans, objectives or economic performance, or the assumption underlying any of the foregoing, and other expectations of the Company.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "project", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Such forward-looking statements, made as of the date hereof, reflect the Company's current views with respect to future events and are based on information currently available to the Company and are subject to and involve certain known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed in or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. These risks, uncertainties, assumptions and other factors should be considered carefully, and prospective investors and readers should not place undue reliance on the forward-looking statements.

These risks, uncertainties, assumptions and other factors include, but are not limited to: the risks and factors set out in this AIF, including as set out below under "*Risk Factors*"; risks posed by the economic and political environments in which the Company operates and intends to operate; current global inflation rates; the potential for losses arising from the expansion of operations into new markets; increased competition; assumptions regarding market trends and the expected demand and desires for the Company's products and proposed products; reliance on industry manufacturers, suppliers and others; the failure to adequately protect intellectual property; a failure to adequately manage future growth; adverse market conditions; and failure to satisfy ongoing regulatory requirements.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement or information or statements to reflect information, events, results, circumstances or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law including securities laws. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such fact on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements or information.

Currency

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

GLOSSARY OF TERMS

In this AIF, the following terms have the meanings set forth herein:

"**AIF**" means this annual information form of the Company for the year ended December 31, 2025;

"**Annual MD&A**" means the management discussion and analysis for the year ended December 31, 2025;

"**Audit Committee**" means the Company's audit committee of the Board of Directors;

"**Baby Feeding Accessories**" means the Company's baby feeding accessories products, as described in the Filing Statement;

"**Baby Formula**" means the Company's formula product line developed as a substitute for breast milk for feeding babies under 12 months, as described in the Filing Statement;

"**Baby Snacks Products**" means the Company's baby snacks products, as described in the Filing Statement;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended and supplemented from time to time;

"**Board of Directors**" means the board of directors of the Company;

"**CEO**" means the Chief Executive Officer;

"**CFO**" means the Chief Financial Officer;

"**Common Shares**" means the common shares without par value in the capital of the Company;

"**Company**", "**Else**" or "**Else Nutrition**" means Else Nutrition Holdings Inc. (formerly ASB Capital Inc.);

"**Danone**" means Danone SA;

"**EAS**" means EAS Consulting Group LLC;

"**Else Nutrition Formula**" means certain intellectual property relating to a plant-based, non-dairy formulation and held by the Else Nutrition Founders as further described in Appendix B – "*Information*

Concerning Else Nutrition – Baby Formula Products" in the Filing Statement;

"**FDA**" means the U.S. Food and Drug Administration;

"**Filing Statement**" means the filing statement in respect of the Qualifying Transaction of ASB Capital Inc. dated as of May 14, 2019;

"**FSE**" means the Frankfurt Stock Exchange;

"**Golden Heart**" means Golden Heart F.M.C.G. Ltd., an Israeli company;

"**Golden Heart Business**" has the meaning described in the Filing Statement;

"**Health Fund Tender**" means Golden Heart's long-term tender to supply Baby Feeding Accessories to an institutional customer group, as further described in the Filing Statement;

"**KFGK**" means Kost Forer Gabbay & Kasierer, a member firm of EY Global Limited, the auditor of the Company;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*;

"**OTCQX**" means the OTCQX Best Market, a U.S. market operated by the OTC Markets Group;

"**Qualifying Transaction**" means the qualifying transaction of ASB Capital Inc. that was completed on June 12, 2019;

"**Red Cloud**" means Red Cloud Securities Inc.;

"**SEDAR+**" means the system for the transmission of documents known as the System for Electronic Data Analysis and Retrieval +;

"**Toddler Nutrition Formula**" means the dry formula nutritional drink product line for toddlers which is based on the Else Nutrition Formula;

"**TSX**" means the Toronto Stock Exchange; and

"**TSX-V**" means the TSX Venture Exchange.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on July 18, 2011 under the *Business Corporations Act* (British Columbia) under the name ASB Capital Inc. The Company is a reporting issuer in all of the provinces of Canada, except Quebec, and its Common Shares are listed for trading on the TSX under the symbol "BABY", quoted on the OTCQX under the symbol "BABYF" and quoted on the FSE under the symbol "0YL".

The Company completed its Qualifying Transaction with Else Nutrition GH Ltd. on June 12, 2019 and changed its name to Else Nutrition Holdings Inc. As a result of the Qualifying Transaction, Else Nutrition GH Ltd., a private Israeli company which was incorporated on May 23, 2018 under the Companies Law, 1999 of Israel, became the Company's wholly-owned subsidiary.

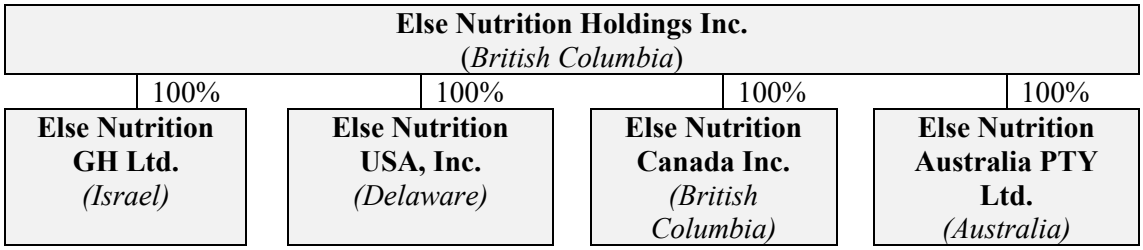
On January 23, 2020 Else Nutrition USA, Inc., a private company, was incorporated in the State of Delaware. Else Nutrition USA, Inc. is a wholly-owned subsidiary of the Company.

On January 25, 2022 Else Nutrition Canada Inc., a private company, was incorporated in the Province of British Columbia. Else Nutrition Canada Inc. is a wholly-owned subsidiary of the Company.

On December 7, 2022 Else Nutrition Australia PTY Ltd., a private company, was incorporated in Australia. Else Nutrition Australia PTY Ltd. is a wholly-owned subsidiary of the Company.

Intercorporate Relationships

The chart below sets out the intercorporate relationship between the Company, Else Nutrition GH Ltd., Else Nutrition USA, Inc., Else Nutrition Canada Inc., and Else Nutrition Australia PTY Ltd.



The principal office of the Company is located at 26 Ha'barzel Street, Tel Aviv, Israel, 69710470. The Company also maintains an office in British Columbia at 1048 165th Street, Surrey, British Columbia, V4A 9A2. The Company's registered and records office is located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8. The Company's phone number is +972 3-644-5095. The Company's website is www.elsenutrition.com. Information contained on the Company's website is not incorporated into this AIF.

DEVELOPMENT OF THE BUSINESS

History of Else Nutrition

The Company is a developer and producer of innovative food products and formula nutrition for infants, toddlers, children and adults. The Company has developed a 100% plant-based non-soy alternative to dairy-based baby formula. For additional information regarding the Company and its business, please see the sections under the heading "*Information Concerning Else Nutrition – Description of the Business*" in the Filing Statement and the information provided under the heading "*Description of Business*" in the Annual MD&A.

Below is a description of the relevant history of the Company over the last three completed financial years:

2023 Financial Year

During 2023, the Company continued to expand the online and brick-and-mortar distribution of its products. This included:

- In March 2023, the Company announced that its products are now listed in over 11,000 retail stores in North America, up from approximately 1,200 retail stores at the beginning of 2022. Also in March 2023, the Company successfully rolled out toddler and kids shake SKUs (stock keeping units) to Canada's largest retailer at over 440 locations.
- On April 4, 2023, the Company announced that Walmart added the Company's baby Super Cereal product for sale in its stores across the U.S.
- On April 26, 2023, the Company announced that its baby Super Cereal and Else Toddler Organic products are available at over 7,000 locations of the largest pharmacy chain in the United States.
- In May 2023, the Company announced that it expanded its distribution in the Canadian market with Canada's second-largest food retailer stocking key Else products in over 600 locations. The rollout includes Else toddler formula, kids shake (vanilla and chocolate), and the baby Super Cereal. The Company also announced that Walmart added both Toddler Organic and Toddler Omega to its shelves in the U.S. Also in May 2023, May 31, 2023, the Company announced that it expanded its distribution of the Else toddler formula in the Canadian market (including Quebec) with Canada's largest pharmacy, on the shelf at over 900 locations across 11 provinces and territories.
- In June 2023, the Company announced that its products are available in more than 10,000 stores in the United States. The expansion into over 10,000 stores in the United States marks a milestone for the Company, reflecting the increasing demand for its products among health-conscious parents. Additionally, with the 2,500 stores in Canada, the Company's products are available in more than 12,500 stores in North America.
- On October 24, 2023, the Company announced that it launched its RTD Kids Shakes at 100 Metro Ontario Inc. stores in Canada.
- On November 6, 2023, the Company announced that it launched its toddler drink in the United Kingdom.
- On November 16, 2023, the Company announced that it launched its product range in Whole Foods Canada.
- On December 20, 2023, the Company announced that it launched its RTD Kids Shakes at walmart.com (Walmart online store in the US).

In February 2023, the Company announced that the Institutional Review Board approved the infant growth study protocol for the testing of the Else Infant Formula. The infant growth study protocol was initially approved by the ethical committee and represents a critical step in the process of launching a new infant formula in the U.S. The study will provide vital insights into the formula's effectiveness and safety for infants.

On June 21, 2023, the Company announced that four of its products (Else kids vanilla, Else kids cocoa, Else toddler organic, and Else toddler omega) were officially approved for U.S. federal insurance billing under the Center for Medicare & Medicaid Services (HCPCS codes B4160 and B4158, respectively). The codes are used to facilitate the processing of health insurance claims covered by Medicare and other insurers. On July 11, 2023, the Company also announced that its kids nutritional shakes, in chocolate and vanilla flavours, were approved by the Arizona women, infants, and children program, and on July 18, 2023, the Company announced that the same products, along with the Toddler Nutrition Formula products, were approved by the Oklahoma women, infants and children program. These approvals will increase access and availability of plant-based nutrition products to children in Arizona, Oklahoma, and across the United States. Children with qualifying medical conditions and a physician's prescription may benefit from Else kids plant-based nutrition, designed to cater to dietary issues such as severe food allergies, gastrointestinal disorders, immune system disorders and medically diagnosed nutrient deficiencies.

On July 10, 2023, the Company elected to exercise its right to increase the face value of its convertible security by US$3,000,000 under its convertible security financing agreement with The Lind Partners LLC, for additional net proceeds of US$2,420,012 after deduction of the original issue discount and closing fees. As a result of the exercise of the increase right, the total face value of the convertible security was increased from US$5,100,000 to US$8,100,000. In connection with the increase, the Company issued 359,178 warrants exercisable into Common Shares for a period of 48 months from the date of issuance at an exercise price of $9.058. As of the date of this AIF the balance of the value of the convertible security is US $976,000.

In September 2023, the Company attended the Canadian Health Food Association 2023 conference in Toronto and unveiled its first ready-to-drink (RTD) kids nutritional shakes (in vanilla and chocolate flavours). In October 2023, the Company completed the first commercial production run of its RTD kids nutritional shakes, producing for both the U.S. and Canadian markets.

On November 13, 2023, the Company entered into a letter of intent with Danone SA ("Danone"), a world-leading company specializing in fresh dairy products as well as plant-based, water and specialized nutrition. The letter of intent provides for a multistage collaboration, subject to the finalization of certain commercial terms. At the first stage of the collaboration, the Company and Danone will enter into a license agreement, pursuant to which the Company's products will be manufactured, marketed, and commercialized by Danone. In addition to the first stage, the parties shall negotiate other opportunities beyond product commercialization. As of the date of this AIF, the letter of intent has expired and the parties are not in the process of extending it for an additional binding period.

On November 21, 2023, the Company closed its offering of 1,300,000 units at a price of $3.85 per Unit for gross proceeds of $5,005,000 by way of prospectus supplement. Each Unit is comprised of one Common Share and one warrant. Each warrant is exercisable to acquire one Common Share at a price of $4.85 until November 21, 2028. Concurrently with the offering, the Company agreed to amend 285,714 existing warrants that were issued on June 29, 2022. The warrants were originally issued with an exercise price of $12.5 and an expiry date of June 29, 2027. The above mentioned 1,585,714 warrants were amended in July 2024 such that each warrant is exercisable until July 5, 2029 at US$1.51 per warrant.

2024 Financial Year

During 2024, the Company has continued the launch of its RTD kids nutritional shakes through online and brick-and-mortar distributers in the U.S. and Canada, as well as continued to expand the Else product line as follows:

- Canada launch of RTD kids nutritional shakes: The Company announced that its RTD kids nutritional shakes are available on shelves of Metro Ontario Inc., a well-known retail chain across Ontario, being the first brick-and-mortar retail partner in Canada to feature both the vanilla and chocolate flavours of the RTD kids shakes. In March 2024, the Company announced that in addition to its RTD kids nutritional shakes, Metro Ontario Inc. will also have Else's baby cereals and toddler nutritional supplement available on its shelves.
- United States launch of RTD kids nutritional shakes: In January 2024, the Company announced that its RTD kids nutritional shakes are available for purchase at Wegmans, a prominent supermarket chain with 110 stores throughout the Northeastern United States, in both chocolate and vanilla flavors, being the first brick-and-mortar retail partner in the United States. In March 2024, the Company announced that its full product line (including toddler organic, toddler omega, kids powder nutritional shakes and RTD kids nutritional shakes) will be available in 259 stores throughout six states via a major Midwest retail chain. Also in March 2024, the Company announced that HEB one of the largest independent supermarket operators in North America, with more than 420 stores across the U.S., will carry the Company's toddler organic, toddler omega and RTD kids nutritional shakes by the end of the second quarter of 2024.
- In January 2024, the Company announced that its toddler organic, toddler omega, and vanilla kids shakes and chocolate kids shakes are available for sale in 156 Giant stores in the U.S.

In March 2024, the Company entered into an agreement with a U.S. based company that manufactures powder products. Pursuant to the agreement, the Company's toddler and kids nutritional powder products will be manufactured at this company's production facility, and secure essential powder production capacity to meet the Company's growing demand for its toddler and kids nutritional powder products. In addition, this production facility utilizes a breakthrough, low-heat manufacturing process designed to better preserve the powder's nutrient content and to improve the solubility and texture of the products.

In May 2024, the Company entered into an acknowledgement and amendment agreement with The Lind Partners LLC, for additional net proceeds of US$950,000 after deduction of the original issue discount and closing fees. Pursuant to the acknowledgement and amendment agreement, the Company issued a second convertible security with the face value of US$1,200,000 and 415,987 warrants exercisable into Common Shares for a period of 48 months from the date of issuance at an exercise price of $3.2019.

As part of its business expansion, the Company broadened its product offerings at Big Y one of the largest independent food retailers in the United States. These products include Else Toddler Omega Complete & Balanced Drink, Kids Ready-to-Drink Chocolate and Vanilla Shakes, and four flavors of Else Super Cereals for Babies. Additionally, the Company announced a new partnership with Marche Tau, one of Canada's leading natural and organic food retailers, to sell Toddler, Kids, and Baby Cereals, as well as Ready-to-Drink (RTD) Kids Shakes, at all Marche Tau locations in the Greater Montreal Area and online. The Company also introduced its innovative Kids Ready-to-Drink Plant-Powered Shakes in over 700 locations of Loblaws, Canada's largest grocery chain. Furthermore, the Company's plant-based Ready-to-Drink Kids Shakes (Vanilla) have earned the prestigious Mom's Choice Award.

In June 2024, the Company launched its new ready-to-drink kids shakes at major retailers Meijer and HEB in the Midwest and Texas of the United States. The products include Toddler Organic Plant-Based Complete Nutrition Drink, Toddler Omega Complete & Balanced Nutrition Drink, Ready-to-Drink Kids

Shakes in chocolate and vanilla flavours.On July 5, 2024, the Company closed a marketed public offering of 1,324,503 units at a price of US$1.51 per unit for aggregate proceeds of US $2,000,000. Each unit comprises one Common share of the Company and one Common share purchase warrant. The Company incurred issuance expenses amounted to $251 thousand and 92,715 broker warrants as underwriting fees. Each warrant entitles the holder to purchase one share at a price of US $1.51 per share for a period of five years.

As a part of the Company closing financing round on July 5, 2024, the Company Board of Directors approved the amendment of the terms of 285,714 Warrants granted during June 2022 and 1,300,000 warrants granted during November 2023 to an exercise price of US$1.51 per share and extension for a period of five years until July 5, 2029.

The Company also announced its partnership with the Navy Exchange Service Command (NEXCOM) for the sale of the product lines of Toddler Organic, Toddler Omega, Kids Shake Mixes, Baby Super Cereals, and Ready-to-Drink (RTD) Kids Shakes. The Company also expanded partnership with Walmart one of the world's largest retailers, launching its entire product line products, including Toddler, Kids Shakes, RTDs, and Baby Cereals, on the retailer's Canadian online store in August 2024.

In August 2024, the Company launched it Ready-to-Drink Kids Shakes in chocolate and vanilla flavors, at Bristol farms a Southern California's leading upscale grocery store chain.

In November 2024, the Company launched a 12-week product pilot program with Costco, a multinational wholesale retailer in Canada, bringing its Ready-to-Drink Kids Shakes to select locations across Canada.

2025 Financial Year

During 2025, the Company has announced its entry into the adult food market with the launch of its RTD nutritional shakes for adults in Canada.

- Canada soft launch of adult RTD shakes: The RTD nutritional shakes were initially tested online in Canada on the Company's online store and on Amazon.ca, in 8 fl. oz. (236 mL) tetra packs, in 6-packs and 24-packs, in Vanilla flavor. They received a high level of consumer's interest.
- North America launch of adult RTD shakes: Based on the learning from the soft launch trial, in Q2 2026 Else plans to launch the RTD nutritional shakes in the US and Canada in 8 fl. oz. (236 mL) tetra packs, in 4-packs and 16-packs, in Vanilla flavor. They will be available for purchase on the Company's online stores, in Amazon, and later in select retail locations. Additional flavors are planned for future release.
- In Q3 2026 the company plans to launch adult nutrition products in powder form.

In January 2025, the Company closed a private placement with an individual subscriber and issued 1,473,751 common shares at a price of US$0.238 per share for US$350,752.

On February 13, 2025, the Company entered into amended and restated the convertible security funding agreement dated December 18, 2022 with The Lind Partners LLC (the "Funding Agreement"), at total amount of US $1,200,000, In connection therewith, the Company issued 6,216,522 warrants exercisable at $0.201 per share until February 13, 2029. On February 18, 2025, the Company elected to exercise its right to increase the face value of its convertible security by US$ 375,000 under its convertible security funding agreement with Lind, for additional proceeds of US$ 240,000, net of a US$ 60,000 closing fee.

On March 17 and April 1, 2025, the Company exercised its right under the Agreement to increase the face value of the Third Convertible Security by a further US$375,000 for the total proceeds of US$300,000. The Lind Partners LLC has not made any conversions under the Third Convertible Security.

On April 23, 2025 the Company launched an advocacy initiative aimed at accelerating U.S. regulatory support for clinical trials of its dairy-free, soy-free infant formula. The campaign builds on the federal Operation Stork Speed effort and calls on the FDA to establish a regulatory pathway enabling plant-based infant formula clinical trials.

On May 27 2025, the Company issued to The Lind Partners LLC a fourth convertible security (the "Fourth Convertible Security") with the face value of US$375,000 for proceeds of US$300,000.

On June 2, 2025, the Company elected to exercise its right to increase the face value of its convertible security by US$87,500 under its previously announced convertible security funding agreement with Lind, for additional proceeds of US$70,000.

On September 18, 2025, the Company elected to exercise its right to increase the face value of its convertible security by US$287,500 under its previously announced convertible security funding agreement with Lind, for additional proceeds of US$230,000.

On June 10, 2025 the Company welcomed three major U.S. policy signals supporting modernization of infant formula regulations, including findings from a National Academies report criticizing the Protein Efficiency Ratio (PER) and calling for updated scientific assessments. The Company highlighted growing congressional pressure for a clear regulatory pathway for plant-based formulas and noted renewed federal attention to infant formula reform.

On July 22, 2025 , following intensive advocacy efforts by the Company, U.S. House Appropriations Committee instructed the FDA to streamline approval pathways for plant-based, non-soy, non-dairy infant formulas. The company noted that evolving U.S. policy direction could expand consumer choice and support modernization of infant nutrition standards.

Effective from November 6, 2025, the Company's shares were reverse split in a ratio of 10:1. As a result, all common shares, options for shares, warrants to purchase common shares, exercise price and net loss per share amounts were adjusted retroactively for all periods presented in these consolidated financial statements as if the share split had been in effect as of the date of these consolidated financial statements.

On November 23, 2025, the Company entered into a convertible security fund agreement with The Lind Partners LLC (the "Nov Funding Agreement"), for an additional investment of up to US$1,280,000. Under the agreement, the first closing consisted of a funded amount of US$350,000, net proceeds of US$337,750 after deduction of a closing fee of US$12,250, In consideration for the issuance of convertible security with a face value of US$420,000. In connection with the first closing, the Company issued 2,069,781 warrants exercisable into Common Shares for a period of 48 months from the date of issuance at an exercise price of $0.231.

On November 18, 2025 The Company announced a Major Breakthrough – in which FDA Funding Package Streamlines Pathway for Plant-Based Infant Formula, Following the signing of the FY2026 U.S. federal budget, Congress formally directed the FDA to streamline regulatory pathways for non-dairy, non-soy

plant-based infant formula. This directive, included in H. Rept. 119-172, supports clearer FDA guidance and aligns with Operation Stork Speed.

2026 Current Financial Year

On January 6, 2026, the Company exercised its right to increase the face value of its convertible security by US$372,000 under its previously announced convertible security funding agreement with Lind, for additional funding of US$310,000, with net proceeds of US$299,130 after deducting a closing fee of US$10,870. In connection with this closing, the Company issued 3,019,088 warrants, each exercisable into one Common Share for a period of 48 months from the date of issuance, at an exercise price of $0.1334.

On March 23, 2026, the Company exercised its right to increase the face value of its convertible security by US$372,000 under its previously announced convertible security funding agreement with Lind, for additional proceeds of US$310,000, with net proceeds of US$299,150 after deducting a closing fee of US$10,850. In connection with this closing, the Company issued 4,684,902 warrants, each exercisable into one Common Share for a period of 48 months from the date of issuance, at an exercise price of $0.086.

On January 12, 2026, the Company was notified by the TSX that the Continued Listing Committee had granted the Company a 90-day extension of its remedial review period in order to demonstrate operational stabilization. In connection with this extension, the Company is required, among other things, to provide to the TSX: (i) Q1 2026 pro forma financial statements for the quarter ending March 31, 2026, (ii) evidence of a formal waiver from the lender with respect to the breach of the $3,000 minimum net cash covenant, and (iii) an update regarding certain FDA regulatory milestones related to the Company's proprietary plant-based infant formula. The TSX indicated that it will continue to monitor the Company's progress in satisfying these requirements.

As of the date of approval of consolidated financial statements, the Company has received the waiver from the lender. The Company is working to satisfy the other foregoing requirements; however, there can be no assurance that the Company will meet all such requirements within the timeframe requested by the TSX.

DESCRIPTION OF THE BUSINESS

About Else Nutrition

The Company is a developer of innovative food products and formula nutrition for infants, toddlers, children and adults. In particular, the Company has developed a 100% plant-based non-soy alternative to dairy-based formula based on a proprietary patented combination of organic ingredients, resulting in the development of the Else Nutrition Formula. For additional information regarding the Company and its business, please see the sections under the heading "*Information Concerning Else Nutrition – Description of the Business*" in the Filing Statement and "*Description of Business*" in the Annual MD&A.

Products Overview

The Company currently has the following product lines that are either commercialized or in development:

1) Baby Snacks – Vegan-friendly snack products for the baby and toddler food market, which are referred to in the Filing Statement collectively as the "Baby Snacks" segment or product line. This product line is currently commercialized in the Israeli market. At the end of January 2025, the Company announced a recall on a certain batch of one of the snacks products due to untypical taste,

revenues from that specific product line have been cut in half in the following month but started to recover as of the date of this MD&A. the company anticipates full recovery from the recall in the next few months and will also support the brand in marketing See "*Description of the Business – Baby Snacks Products*" in the Filing Statement.

2) Baby Feeding Accessories – Baby feeding bottles and teats (sterile and non-sterile) which are referred to in the Filing Statement collectively as "Baby Feeding Accessories" segment or product line. This product line is currently commercialized in the Israeli market. The Company has won a 5 years tender to exclusive supply of this product line Klalit health fund. The 5 years tender term have expired a in May 2025, although the company kept supplying ex-tender. The company has submitted a bid for a new 5 years tender and recently won in for the next five years. See "Description of the Business – Baby Feeding Accessories" in the Filing Statement.

3) Infant formula - The Company's infant formula product line consists of plant based alternatives to soy based and dairy based formulas currently offered by other manufacturers. This product line has been developed and is undergoing the extended regulatory process required to obtain approvals from the U.S. Food and Drug Administration ("FDA") and relevant European authorities. FDA approval for a new infant formula requires completion of three stages: two pre clinical milestones and a clinical growth study. The Company has completed the two required pre clinical stages and has submitted the pre clinical study reports and the infant growth study protocol to the FDA.

The remaining milestone—completion of clinical trials—will proceed once the Company secures the necessary funding and receives authorization from the FDA to initiate the study. FDA-required clinical trials are estimated to cost approximately US$4–5 million over a 12-month period.

The Company's first preclinical study evaluated growth in a neonatal animal model and demonstrated growth outcomes comparable to dairy-based infant formulas, addressing a key early requirement in the FDA approval process and other global regulatory frameworks. The results have been presented at two pediatric nutrition scientific meetings and published in peer-reviewed journals. According to the Company's FDA consultants, the second preclinical study demonstrated the biological quality of the formula's protein source in accordance with current FDA requirements applicable to new infant formula submissions in the United States.

The Company obtained Institutional Review Board (IRB) approval for its infant growth study protocol. In February 2023, the Company submitted its preclinical study results and clinical study protocol to the FDA and engaged in discussions regarding product optimization prior to the clinical phase. However, as of the date of this AIF, more than two years after submission, the Company has not yet received confirmation from the FDA regarding its preclinical study. Certain key questions related to the preclinical phase remain unanswered, and the FDA has not reviewed the clinical protocol nor continued substantive communication on this matter. This has created significant limitations for advancing the infant formula development program.

Following the FDA's decision to discontinue additional reviews, uncertainty remains regarding the appropriate regulatory pathway for novel plant-based infant formula products. In response, the Company undertook a government affairs and lobbying initiative, supported by legal counsel, to encourage regulatory clarity and obtain further engagement from the FDA.

Recent FDA and U.S. Federal Developments

In 2025, the FDA and the U.S. Department of Health and Human Services ("HHS") launched Operation Stork Speed, a federal initiative focused on strengthening the safety, nutritional adequacy, transparency, and resilience of the infant formula market. The initiative includes actions such as initiating an FDA Request for Information (RFI) to conduct the first comprehensive update of infant formula nutrient standards since 1998, expanding testing for contaminants, and encouraging the development of new infant formula products.

During 2025, the National Academies of Sciences, Engineering, and Medicine ("NASEM") published two FDA-commissioned scientific reviews examining the regulatory science underpinning U.S. infant formula requirements. The reports recommended discontinuing reliance on the Protein Efficiency Ratio (PER) rat assay for evaluating protein quality, concluding that PER is not physiologically relevant for human infants, and advising consideration of alternative methods, including human-milk amino acid profiles, in vitro digestibility testing, and updated clinical study approaches.

In November 2025, Congress passed the Fiscal Year 2026 U.S. federal budget, which was signed into law and includes Congressional Report Language in H. Rept. 119-172 directing the FDA to streamline regulatory pathways for new infant formulas, including plant-based, non-soy, non-dairy formulations. This directive forms part of the federal Operation Stork Speed modernization effort and is intended to support clearer, more consistent FDA review processes for innovative infant nutrition products.

The Company expects that the FDA may begin implementing these Congressional directives through forthcoming guidance and regulatory development activities. FDA actions under Operation Stork Speed and the Congressional Report Language may contribute to providing clearer expectations and a more defined regulatory framework for novel plant-based infant formulas. However, as of the date of this AIF, no formal FDA guidance or review timeline has been provided to the Company.

Engagement With FDA

The Company continues to seek regulatory clarity regarding the remaining steps required for its infant formula approval process. The Company has recently engaged in discussions with senior FDA officials concerning pre-clinical requirements and the sequencing of steps needed to advance toward clinical study authorization. These discussions remain ongoing.

Global Regulatory Activities

In addition to U.S. regulatory efforts, the Company is pursuing approval of its plant-based protein ingredients for use in infant and follow-on formulas in other jurisdictions, including Europe. Data generated through the Company's current preclinical and regulatory processes will be used to support submissions in additional territories as appropriate.

As part of this line, the Company has also developed a FOF (Follow-On-Formula) SKU for babies 6-12 months old for the Australian market, which complies with the current Australian regulation and can be sold without clinical trials or special permits. This SKU has been produced and shipped to Australia, where it is has been launched in the first quarter of 2024. The Company initially launched this product online (through Amazon and other purely e-commerce sites). The Company has incorporated a local entity, selected a logistics partner, and employed a marketing consultant and sales representative in preparation for Australian operations. The Company's 2023 marketing plan included a small marketing budget for the Australian launch. Currently the Australian operation is not active due to lack of funds and the management's decision to focus in its core market – the North American market See "*Description of the Business – Baby Formula Products*" in the Filing Statement.

1) Toddler Nutrition Products – Plant-based nutrition products for the 'toddler nutrition' market (between 1 to 3 years old). These products are primarily intended to be plant-based alternatives to existing dairy and soy based powder and ready-to-drink nutritional drinks for toddlers. These products are commercialized in the U.S. and Canada. They have been commercialized in the United Kingdom and Australia in the first quarter of 2024, but currently are inactive in these territories. In 2025 the company introduced a premium European formulation in a high-end tin can that was received very well by American consumers. See "*Description of the Business – Toddlers/Kids Nutritional Drinks*" in the Filing Statement and "*Overall Performance – Toddlers*" in the Annual MD&A.

2) Children Nutrition Products – Plant-based nutrition for the 'children nutrition' market (2 to 12 years old). This product line is intended on providing plant-based alternatives to soy-based and dairy-based ready-to-drink and powder nutritional drinks for children based on the Company's proprietary Else Nutrition formula. This product line has been commercialized in powder form in the U.S. and Canada since 2021. The ready-to-drink products were launched in North America online (through its own e-store and Amazon) and with retail partners in 2023. See "*Description of the Business – Toddlers/Kids Nutritional Drinks*" in the Filing Statement and "*Overall Performance – Children*" in the Annual MD&A.

3) Adult Nutrition Products – Plant-based nutrition for the 'adult nutrition' market. The Company is exploring the uses of its plant-based nutrition formula to supplement adult nutrition. The Company developed a ready-to-drink subline which has recently been commercialized. Development has been completed during the second half of 2024. The Company has soft-launched these products online in Canada in 2025, to be followed by a North American launch expected in Q2 2026. See "*Overall Performance – Adults*" in the Annual MD&A.

4) Complementary Food Products – Products that complement existing food for babies (6 months and older) using variations of the plant-based nutrition formula. The Company is continuing its evaluation of the regulatory requirements which apply to this product line. This product line has been commercialized in the U.S. and Canada. See "*Overall Performance – Complementary Nutrition for Babies*" in the Annual MD&A.

The product lines are based on the same core formulation, being the Else Nutrition Formula, and similar development, manufacturing and distribution methods. See "*Description of the Business - Baby Formula Products*" in the Filing Statement for details regarding the development of the Else Nutrition Formula. See also "Description of Business" in the Annual MD&A for additional information on the distribution and

commercialization of the Else Nutrition Formula product lines. The Else Nutrition Formula is protected by certain patents applications and registrations, as described below under "*Intellectual Property*".

Sales of the Baby Snacks Products and Baby Feeding Accessories product lines represented 100% of the revenues of the Golden Heart Business as reflected in the financial statements of Golden Heart included in the Filing Statement.

Industry Overview and Competitive Conditions

To the best knowledge of management of the Company, Else Nutrition is the first, and currently the only, whole plant-based, minimally processed, dairy and soy free infant formula product range. The Company notes the following regarding specific competitive advantages:

- Infant formula: The Company does not have a direct competitor (i.e. a producer of whole plant based, soy free products) as infant formula products (0-36 months) world-wide are based on dairy proteins, soy proteins, or rice proteins, which are processed and not based on whole plants. The Company's indirect competitors are organic dairy-based infant formulas, rice and soy protein products, hydrolyzed dairy and elemental formulas.

- Baby cereal: The baby cereal product range is the first clean label purity award certified baby cereal in the U.S. certified as safe from heavy metals, pesticides, and other contaminants. It was ranked as the best seller on Amazon.com in the baby cereal category shortly after it's launch. Furthermore, the Company's baby cereal is a balanced and complete nutrition, combining healthy carbohydrates, fats and proteins, unmatched by other baby cereals which are mainly carbohydrates based.

- Kids nutritional drinks: There are several competitors with plant-based beverage brands that contain highly processed ingredients. The Company's kids nutritional drinks are the only ones made with whole food ingredients, are clean-label certified, and also contain less sugar compared to other leading competitors in this space.

The infant nutrition market was valued at approximately US$94.8 billion in 2024, and it is expected to reach US$134.9 billion by 2029, registering a CAGR of nearly 7.3% during the forecast period (2024 - 2029).[1]

Infant formula is food designed and marketed for feeding babies less than 12 months of age. This food comprises necessary nutrients, vitamins, and minerals for the development of the infant. Medical professionals may suggest infant formula as an alternative to breast milk. Infant formula can also serve as a convenient alternative for working mothers, as it can be fed at any place and at any time.

The Company considers its Baby Snacks products to be a leading brand in Israel. The Company's Baby Snacks products are competitively priced and are sold in most major grocery and drug store retailers in Israel. There are two-three local competitors in Israel that compete with the HEART brand of Baby Snacks. A competitors focus on a single type of product range while the Company's product range consists of variety of products.

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[1] https://www.mordorintelligence.com/industry-reports/infant-nutrition-market

With respect to the Baby Feeding Accessories category, the Company is aware of only few major competitors in Israel that specializes in sales to maternities and institutions. The Company estimates that the business of its competitors are smaller than the Company's business in that field. The company has recently ended the Klalit health fund tender and has now submitted its documents for a new 5 years tender of the Klalit health fund that constitutes ~30% of the baby feeding accessories business of the Company.

The categories of Baby Formula, Toddler Nutrition Formula and the Children's Nutritional Drinks are highly competitive product lines. The competitive landscape is similar globally since it is dominated by multinational companies that are able to compete across multiple markets. The large competitors in these categories include Abbott, Danone, Mead Johnson Nutrition and Nestlé. There are also local and regional competitors, as well as private label and store brand products. For example, in the United States, regional players like Plum Organics focus on a line of nutritious and organic snacks and meals across the baby, toddler and kids age groups.

As noted above, the Company's Toddler Nutrition Formula and the Children's Nutritional Drinks are priced as a premium product, however, the expectation is that pricing will fall within the middle to upper range of premium competitive products. The Company believes that its competitive advantage lies in its innovative Else Nutrition Formula Global IP portfolio and technological knowhow and its message, marketing and branding. The Company believes that its products will fit within a growing market trend, particularly in the United States and Canada, of parents seeking out natural non-dairy and non-soy and more premium baby food offerings for their children. Unlike many other known infant formula types in the market, the products based on the Else Nutrition Formula are intended to be a clean label and conduct a clean ingredient production process when compared alongside existing formulations in the market today, primarily since the lipid and protein content of the Company's products is derived directly from whole plants which are minimally processed using natural methods and therefore aims to avoid industry standard processing methods which alter the chemical structure of the raw ingredients or make use of harsh chemicals and solvents. These standard industry methods include the use of fat and protein derivatives and protein isolates or hydrolysates, or the use of purified or refined oil blends, that are typically used in other known infant formula types. Significant expenditures for product development, advertising, promotion and marketing, where permitted, are generally required to achieve acceptance of products among consumers and health care professionals and to support the trend in consumer preferences for premium products in key markets. See "*Risk Factors*" in the Filing Statement for more details.

The Company believes that its other sources of competitive advantage include the unique use of a novel, clean and plant based fat and protein source composition, which avoids the use of dairy and soy protein sources which are major allergens and may cause many issues of intolerance, sensitivity and allergenicity.

The Company has three patent families, WO/2014/125485, WO/2021/234715 and WO/2023/152741, which each cover an aspect of the Company's products, being the general process and composition of all Else products, a specific composition and process for the infant formula, and clinical uses as shown in the Company's studies.

The Company's three patent families are in various stages of examination. Internationally filed patent applications undergo subsequent phase of examinations at the national level where examinations are conducted in each jurisdiction separately. This process may differ in length and depends on the load and standard of procedure in each jurisdiction. Divisional applications may also be filed to cover different aspects of the patent applications which delays the examination process. The Company has been granted patents in certain jurisdictions while remaining in the application stage in others.

Specialized Skill and Knowledge

Given the competitive nature of the industry, the expertise required to innovate in the industry and the regulations surrounding food products (particularly infant formula), the Company requires management and advisors with domain knowledge, experience and specialized skills. The Company's management and directors include both industry and technical personnel, as described in the biographies of such individuals under the section "*Directors and Officers*" of this AIF.

Competition for these skills is intense and the Company's on-going success is dependent on its ability to attract and retain skilled personnel. In addition to the technical and management experience noted above, modern retail business is dependent to a large degree on digital and social content-based marketing, an industry where the demand and competition to employ qualified professionals are high. See "*Risk Factors*" for more details.

Research and Development (R&D) and New Product Development

The Company plans to invest in research and development of new products and to improve existing products.

The Else Nutrition Formula offers potential for product offerings for infants, toddlers, kids and adults, and also medical nutritional products.

The Company's R&D team is led by a CTO with relevant industry experience. See "*Directors and Officers*" for biographies of the Company's senior management. The R&D team is based in Israel. The Company also engages sub-contractors and external research facilities or institutes to undertake its R&D activities when required.

There is no guarantee that the Company will successfully develop the proposed Baby Formula product line or its proposed adult and complementary baby product lines and, if developed, the Company may not be able to reach a commercialization stage for any of these products.

Intellectual Property

The Company holds international patent applications under the Patent Cooperation Treaty WO/2014/125485 non-dairy formulae, and the recently filed WO/2021/234715 nut and non-dairy components having reduced trace element content, compositions comprising them and process for their production, and WO/2023/152741 non-dairy formulae for use in improving growth and tolerance in a subject in need thereof.

The patents and patent applications under WO/2014/125485, valid through 2034, are directed to non-dairy almond based formula for the preparation of infant or toddler formula and other types of supplemental or functional food. The invention provides a composition comprising almond and at least one non-dairy component comprising all essential amino acids, for use in the nutrition of an infant and/or a toddler and for use in whole balance nutrition of a subject, whether an infant, toddler, child, adolescent, adult, or elderly person at any health or physical condition.

The WO/2021/234715 patent application is directed to plant-based components, having reduced trace element contents, food products and nutritional compositions comprising them and methods for their preparation.

The WO/2023/152741 patent application is directed to some clinical benefits found in studies performed by the Company.

The current status of the Company's patents is summarized in the table below:

Jurisdiction	Application No.	Filed	Publication No./Patent No.	Grant Date	Status
WO/2014/125485 Patent Application					
Australia	2014217493	12/02/2014	AU2014217493	18/12/2017	Granted
Australia – divisional	2017268642	12/02/2014	AU2017268642		Abandoned
Australia – divisional	2020200791	12/02/2014	AU2020200791		Abandoned
Australia – divisional	2020204013	12/02/2014	AU2020204013		Abandoned
Australia – divisional	2022202411	12/02/2014	AU2022202411		Granted
Australia – divisional	2024219722	12/02/2014			Pending
Brazil	BR112015019005-7	12/02/2014			Pending in examination
Canada	2898980	12/02/2014	2898980	15/12/2020	Granted
Canada-div	1Z34R6780368492709	12/02/2014	3082684	26/10/2021	Granted
Chile	02193-2015	12/02/2014	CL59515	17/06/2020	Granted
China	2014800069310.00	12/02/2014	CN104968217 A		Rejected
China-divisional	2020105965548.00	12/02/2014	CN111657359 A		Pending in examination
China-divisional	2021107615717.00	12/02/2014	CN113475578 A		Pending in examination
Hong Kong	42020021961	12/02/2014	HK40032019A		Abandoned
Hong Kong – Divisional	42021043708	12/02/2014	HK40055229A		Pending before examination
Eurasia	201591266	12/02/2014	EA030051B1	29/06/2018	Granted
Eurasia – divisional	201890422	12/02/2014	EA034070B1	24/12/2019	Granted
Europe	EP14751382.4	12/02/2014	EP2956016		Rejected
Europe-divisional	EP25169710.8	12/02/2014			Pending before examination
Israel	240513	12/02/2014	240513	01/09/2018	Granted
Israel – divisional	259361	12/02/2014	259361	01/09/2020	Granted
Israel – divisional	274474	12/02/2014	274474		Granted
India	4640/CHENP/2015	12/02/2014	334187	01/07/2016	Granted
Japan	2015-556622	12/02/2014	JP6416790	31/10/2018	Granted
Japan – divisional	2018-188882	12/02/2014	JP6625186B2	06/12/2019	Granted
Korea	10-2015-7024308	12/02/2014	1.02143E+12	04/08/2020	Granted

Korea divisional	10-2020-7022519	12/02/2014	10-2020-0096686		Rejected
Korea divisional	10-2021-7036280	12/02/2014	10-2021-0137583		Rejected
Korea divisional	1020237037169.00	12/02/2014	1020230152841.00		Abandoned
Mexico	MX/a/2015/010473	12/02/2014	MX/a/2015/010473	25/11/2019	Granted
Mexico – divisional	MX/a/2019/014019	12/02/2014	MX/a/2019/014019	14/09/2023	Granted
Mexico – divisional	MX/a/2020/005580	12/02/2014	MX/a/2020/005580		Abandoned
New Zealand	710336	12/02/2014	710336	30/07/2019	Granted
New Zealand – divisional	749729	12/02/2014	749729	01/05/2020	Granted
South Africa	2015/06398	12/02/2014	ZA2015/06398	25/01/2017	Granted
Ukraine	A201507555	12/02/2014	117744	25/09/2018	Granted
USA	14/767,028	12/02/2014	US9,687,012	27/06/2017	Granted
USA – continuation	15/612,783	12/02/2014	US10,575,546	12/02/2020	Granted
USA – continuation	16/459,636	12/02/2014	US11,246,332	15/02/2022	Granted
USA – divisional	17/567,996	12/02/2014	US-2022-0125092-A1		Abandoned
PCT	PCT/IL2021/050596	12/02/2014			
WO 2021/234715 Patent Application					
United Arab Emir.	P6002404/2022	23/05/2021			Abandoned
Australia	2021274182	23/05/2021			Pending before examination
Brazil	BR 112022023524-0	23/05/2021			Abandoned
Canada	3,184,443	23/05/2021			Pending before examination
Chile	2022-03240	23/05/2021			Rejected
China	2021 800367199	23/05/2021			Abandoned
Colombia	NC2022/0016720	23/05/2021			Abandoned
Europe	EP21742533.9	23/05/2021			Pending before examination
Hong Kong	62023071532	23/05/2021			Pending before examination
Indonesia	P00202213196	23/05/2021			Abandoned
Israel	298360	23/05/2021			Abandoned
India	2022 47068015	23/05/2021			Abandoned

Japan	2022-570558	23/05/2021			Abandoned
South Korea	10-2022-7043874	23/05/2021			Abandoned
Mexico	MX/a/2022/014627	23/05/2021			Pending before examination
Malaysia	PI2022006463	23/05/2021			Abandoned
New Zealand	794419	23/05/2021			Pending before examination
PCT	PCT/IL2021/050596	23/05/2021			-
Philippines	1-2022-553154	23/05/2021			Abandoned
Russian Fed.	2022129602	23/05/2021			Abandoned
Singapore	11202260143Q	23/05/2021			Pending before examination
Thailand	2201007422	23/05/2021			Abandoned
USA	17/926,595	23/05/2021			Pending before examination
USA Provisional	63/027,989	21/05/2020			
Vietnam	1-2022-08088	23/05/2021			Abandoned
South Africa	2022/12924	23/05/2021			Granted
WO2023/152741 Patent Application					
USA	18/797,571	08/02/2023			Pending before examination
Europe	23710467.4	08/02/2023			Pending before examination
PCT	PCT/IL2023/050136	08/02/2023			
Canada	3,250,342	08/02/2023			Pending before examination
Israel	IL314740	08/02/2023			Pending before examination

The Company holds a registered "ELSE" trademark in Israel and the U.S., and a registered trademark for "ELSE NUTRITION" in the U.S.

The Company also filed international trademark applications using the Madrid Protocol for the "ELSE" wordmark. The "ELSE" trademark was registered in 64 countries (including 27 European countries), and it is under examination in an additional 1 country.

The Company engaged EAS Consulting Group LLC ("EAS") to lead the Company's regulatory approval process in various key markets globally. With the partnership of EAS, the Company will increase its

capability to follow an efficient and timely regulatory pathway and meet the strict requirements which will enable the launch of the Company's patented formulas across key markets worldwide.

The Company received a favourable regulatory assessment of its toddler formula ingredients from EAS, which conducted a preliminary review of the Company's formula from the perspective of the FDA, Europe and Australia requirements. With vast, global expertise in regulatory approvals, and specialty in FDA requirements, EAS has unique experience and capability pertaining to the introduction of food, drinks and new infant formulas.

The Company started the regulatory process to achieve compliance for its Baby Formula in the U.S. and Europe. Since the ingredients of the Company's products are innovative and new to this industry, this process started with the evaluation of the regulatory status of its ingredients and the gaps for approving them for infant's consumption followed by conducting the required safety studies. This process is a multi-step one, which involves dossiers submissions, safety studies in animal models and clinical studies in newborn infants. The Company keeps full transparency with the FDA to align on this process.

Unfortunately, though over two years from the preclinical study report submission, the Company did not receive confirmation from the FDA on its preclinical study, though all requested information was provided. Moreover, the FDA has not yet responded to pivotal questions regarding the preclinical study, which is a limiting step toward the initiation of the clinical safety study, and the FDA has been unwilling to review the clinical study protocol and further communicate on this matter with the Company. This delay in FDA communication causes major limitations in progressing with the infant formula development. Since the FDA's decision to discontinue additional reviews, leaving unanswered questions and unclarity on a novel regulatory pathway creates a major obstacle in the Company's infant formula development. The Company started a lobbying process which will also include legal involvement to reverse this decision and hopes to obtain an explanation from the FDA, along with clarity and full transparency regarding the FDA's expectations from an innovative infant formula. As part of the Lobbying efforts, the Company sent a letter to the FDA Ombudsman office, and approaching few Congressmen to create awareness.

Recently, the FDA itself assigned two projects to the National Academies of Sciences, Engineering, and Medicine, looking at challenges in supply, market competition, and regulation of infant formula in the United States. Those projects aim to compare the US regulation for infant formula with regulations in other countries, such as Europe, Canada and Australia/New Zealand, including a deep examination of the science regarding methodologies for assessing biological quality of protein (preclinical study) and for assessing the ability of an infant formula to support normal physical growth (clinical study). The recent Operation Stork Speed launched on March 2025 by the US HHS (Health and Human Resources Services) further strengthens this initiative as described in the section about infant formula in this document. Since the launch of "Operation Stork Speed" the Company has accelerated its dedicated efforts in Washington D.C., including through Congressional engagement on FDA regulatory reform, which has led to new oversight over the FDA's infant formula police. As a result, the company is making significant strides toward bolstering modernized FDA guidance for plant-based formulas and in November 2025 Congress passed the Fiscal Year 2026 U.S. federal budget, which was signed into law and includes Congressional Report Language in H. Rept. 119-172 directing the FDA to streamline regulatory pathways for new infant formulas, including plant-based, non-soy, non-dairy formulations. This directive forms part of the federal Operation Stork Speed modernization effort and is intended to support clearer, more consistent FDA review processes for innovative infant nutrition products. As a result, The company is currently in discussions with the FDA to

establish a clear regulatory pathway, ensuring that parents have access to safe, high-quality, and scientifically backed nutrition options.

Method of Production

Except as otherwise noted in the Filing Statement, including under "*Description of the Principal Products – Baby Feeding Accessories Product Line*" with respect to products where the Company is a re-seller, the Company typically will contract third-party manufacturing facilities to produce its products, using its own patented formulation and/or trade secrets, and under its supervision. However, the Company will retain all intellectual property for its products. In such circumstances, the Company will typically aim to include mandatory quality assurance processes and standards in the material contracts with manufacturers. The Company may use different third-party manufacturers for different products and/or markets, based on capabilities, certification, financial terms and other needs.

With respect to Baby Formula, Toddler Nutrition Formula and Children Nutritional Drinks product lines, the Company contracts with powdered formula manufacturers and co-packers in North America and an additional powdered formula manufacturer and co-packer in Europe.

The Company also contracts with a liquid (UHT) manufacturer in North America to manufacture the ready to drink line.

In the future the Company may consider building dedicated facilities for its powdered formulations and liquid production and packaging of its product lines.

The Company is responsible for the design of the product packaging for its branded line of products. Packaging is localized by market and language and may be in different sizes for different markets and products.

The Company expects to continue to manufacture its Baby Snacks product line in Israel for the foreseeable future.

For further details regarding the manufacturing of Baby Snacks and Baby Feeding Accessories product lines, see "*Description of the Principal Products – Baby Snacks Product Line*" and "*Description of the Principal Products – Baby Feeding Accessories Product Line*" in the Filing Statement.

Sourcing and Materials

In the ordinary course of business, for its Baby Snack product line, the sourcing and purchase of raw materials is done from numerous suppliers in Israel. The Company either sources all or part of the raw materials, packaging and supplies for its third-party manufacturing facilities or collaborates with the third-party manufacturing facilities on sourcing. In the ordinary course of business, the Company manufactures the Baby Feeding Accessories through a third-party facility in India and in UK and Bulgaria.

For the Baby Formula, Toddler Nutrition Formula and Children's Nutritional Drink product lines, the Company would source and purchase raw materials, packaging and supplies from numerous suppliers in North America, Europe and, if needed, other locations. The Company can either source all or part of the

raw materials, packaging and supplies for its third-party manufacturing facilities or collaborate with such third-party manufacturing facilities on sourcing.

To the knowledge of management of the Company, there have been no recent significant availability problems or supply shortages for raw materials or supplies that could have a material adverse effect on the Company's ability to meet its business objectives as set out in the Filing Statement. See "*Risk Factors*" below.

The Company continues to use commercially reasonable efforts to determine, approve and supervise quality assurance and testing requirements for all raw materials, packaging and supplies for all its third-party manufacturing facilities. Certain raw materials, while purchased by contract centrally, may be subject to local price and terms variations. Packaging, produced either centrally or locally, must adhere to local regulations and fit local marketing requirements.

Economic Dependence on Distributor Relationships

With regards to the Baby Snacks and Baby Feeding Accessories products, please see the disclosure under "*Description of the Principal Products – Baby Snacks Products*" and "*Description of the Principal Products – Baby Feeding Accessories Products*" in the Filing Statement.

In the manufacturing process of the infants, toddlers, children and adults powder products, the Company is currently using one third-party U.S. toll powder and one third party manufacturer in the EU. If both of the powder manufacturers cease production of the Company's products, or experiences delays or capacity shortages, the Company may be unable to manufacture these products in a timely fashion and/or in adequate quantities or at all, and the Company's activities and results could be materially adversely affected. The Company is using organic raw material, the supply of which could be affected by seasonal shortages. In an event of such shortage, the Company may be unable to manufacture these products in adequate quantities or at all, and the Company's activities and results could be materially adversely affected.

Following the launch of its Toddler Nutrition Formula product in August 2020, the Company's ability to meet customer demand was dependent on the timely supply and availability of raw materials required by the manufacturer to produce the Toddler Nutrition Formula. See "*Risk Factors*" below.

Employees

As of the date of this AIF, the Company and its subsidiaries have 12 employees. The Company engages consultants from time to time as required to assist in evaluating its interests and assisting with day-to-day operations.

Seasonality and Cyclicality

There are no significant seasonal aspects to the Company's business. The Baby Snacks and Baby Feeding Accessories product lines have historically in the past two fiscal years sold consistently throughout the year in the Israeli market, and, in the opinion of management, the proposed Baby Formula and Toddler Nutrition Formula and Children's Nutritional Drinks product lines are not expected to experience significant seasonal fluctuations in the proposed principal geographical markets. Notwithstanding the aforementioned, seasonal fluctuations in sales may occur.

Some of the raw materials are agricultural products and, as such, might be exposed to price fluctuation due to climate conditions and the effects of inflation on the supply chain (Baby Snacks, Baby Formula, Toddler Nutrition Formula and the Children's Nutritional Drink products).

Foreign Operations

The Company has its manufacturing, product packaging and distribution centres in Israel (and in some cases, India, UK and Bulgaria) with respect to its Baby Snacks and its Baby Feeding Accessories product lines. See "*Foreign Operations*" in the Filing Statement.

With respect to the Baby Formula, the Toddlers Nutrition Formula and the Children's nutritional drink product lines, the Company has and expects to have its manufacturing, product packaging and distribution centres in the U.S., Western Europe and in any other locations that are close to global markets. R&D activities and clinical testing are taking place primarily in Israel, where the Company's execute management reside; however, the Company expects that its R&D activities will extend to U.S. and elsewhere. See "*Risk Factors*" in the Filing Statement for a detailed description of risks related to foreign operations.

The Company is currently marketing and selling the Toddler Nutrition Formula, Children Nutritional Drink product, and Complementary Food Products lines in the United States and Canada, with small starts in several LATAM countries. The Company intends on expanding these product lines to markets in Europe, LATAM , central America and Israel, as well as other foreign markets. This may necessitate that certain products of a local nature and variations of product lines that meet local regulatory requirements and marketing preferences may be manufactured and marketed to customers in many different markets. International operations are subject to certain additional risks inherent in conducting business outside of North America, including price and currency exchange controls, changes in currency exchange rates, limitations on foreign participation in local enterprises, expropriation, nationalization, and other governmental action.

RISK FACTORS

The securities of the Company should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this AIF and the Company's profile on the SEDAR+ website at www.sedarplus.ca prior to making an investment in our securities. In addition to the other information presented in this AIF, the following risk factors should be given special consideration when evaluating an investment in any of the Company's securities.

Risks Related to the Business

Impact of Laws and Regulatory Requirements

As a company that focuses on the infant, toddler and children food industry, including infant nutrition, some of the Company's product lines are subject to extensive government regulation and numerous international, supranational, federal, and state authorities. See "*Regulatory Framework, including Health and Safety Regulations*" in the Filing Statement for further details.

In order for the Company to achieve its planned business objectives, the Baby/Toddler/Children Formula/Nutrition Drinks product lines must go through applicable regulatory procedures, including FDA approval for the Baby Formula product line (0-12 months) in the United States and similar regulatory approvals in all targeted markets (i.e. Canada, Europe, China, Australia, etc.). The approval process for an

infant formula is costly and time-consuming. The entire approval process for infant formula in each market may take 2-3 years, if not longer. There is a risk that the Company will not be able to complete the necessary regulatory submissions to market and sell its Baby Formula in the relevant markets or in a timely manner. The Company may not receive the necessary approval required to manufacture and/or distribute its products in the market where such regulatory approval is required. In particular, since the ingredients of the Company's products are innovative and new to this industry, the Company is unsure how regulators will approach the approval of the Baby Formula products that are based on new non-dairy and non-soy ingredients, being the Else Nutrition Formula. The Company also expects that there may be some negative pressure or lobbying from multinational infant formula producers in respect of the introduction of a new infant formula product. If and when the regulatory approvals will occur, in some jurisdictions there will be a need to adapt the regulatory standards to the new plant base protein source and acknowledge it as an approved protein source for infant consumption.

The Company has to consider a number of primary areas of regulation in each major market, including those relating to the processing, packaging, storage, distribution, marketing, advertising, labeling, quality and safety of the Company's product offerings, as well as the health and safety of its employees and the protection of the environment.

Management cannot predict the nature of future laws, regulations, interpretations or applications, nor can it determine what effect either additional governmental regulations or administrative orders, when and if promulgated, would have on its business in the future. They could however, require the reformation of certain or proposed products to meet new standards, the recall or discontinuance of certain products not able to be reformulated, additional record keeping, expanded documentation of the properties of certain products, expanded or different labeling and/or scientific substantiation. Changes in regulatory requirements (such as proposed requirements for infant formula or labeling requirements), or evolving interpretations of existing regulatory requirements, may result in increased compliance cost, capital expenditures and other financial obligations that could adversely affect the Company's business or financial results. Additionally, any event that may challenge specifically the nutritional or health claims related to certain products could have a significant impact on the Company's activities, increase its costs, reduce consumer demand and result in litigation. Possible regulatory actions for non-compliance could include warning letters, fines, damages, injunctions, civil penalties, recalls, seizures of the Company's products, and criminal prosecution. Additionally, new tariffs that may be imposed on the company's products in North America may case price increases, reduced demand and sales. Any of these events may disrupt the Company's business and could damage its reputation as well as adversely affect its financial results.

Significant Risks Related to Production, Food Safety and Product Recalls

Sale of products for human use and consumption involves the risk of injury or illness to consumers. Baby Formula products particularly, for infants and toddlers in powder or liquid forms, are not sterile; a risk of contamination or adulteration exists at each stage of the production cycle, including the purchase and incorporation of raw food materials/ingredients into the final product, the processing and packaging steps in making the product and upon handling and use by personnel and consumers.

Food safety related issues in the baby formula industry are major risks and can be connected to many aspects of the product's composition, including contamination or adulteration of the raw ingredients, lack of some micronutrients or essential elements that have been mistakenly omitted from the specific batch or contamination of the production line.

In addition, since the Company's business and products require the sourcing and use in production and sale of plant-based agricultural ingredients, there is a risk in fluctuations in the levels of minerals originated in the type of soil (land) in which such ingredients are grown. For example, the level of minerals inside the

plant may vary from time to time based on a number of factors out of the control of the Company, and, as a result, there is a risk that these levels of minerals may exceed or otherwise deviate from the maximum levels permitted by infant nutrition regulations in certain jurisdictions. In such an event, the Company may have to search for a different source of that specific plant, or to neutralize the unwanted excess by means of food technology methods that exist or are commercially available to the Company. This could cause delays in supply of the Company's end-product or additional costs on the COGS.

In the event the Company's products are found, or are alleged, to have suffered contamination or adulteration, the Company may be required to recall or withdraw products, suspend production of its products or cease operations entirely, which may lead to an adverse effect on the Company's results of operations and corporate reputation.

Whether real or perceived, reports of inadequate quality control (with respect to products and their manufacturing) can have multiple consequences. The Company's sales and results related to these products could be severely affected; this impact may extend beyond the products involved and include other offerings under the same brand name; rapid digital dissemination of information through news reports and social media may also spread to other geographic areas than the ones initially involved; in addition to the immediate financial impact, the reputation of the Company, its product offerings as well as its quality control protocols may be adversely affected over the long term, thereby exacerbating the financial risk for the Company.

Competition

The Company's primary competitors (global and national entities) have substantial financial, marketing and production resources; the Company may not have access to such a wide breadth of resources and therefore it may be unsuccessful in competing against current and future competitors. These competitors have diversified portfolios and likely benefit from greater economies of scale due to their size and global manufacturing capabilities. The Company may also face competition from new and emerging businesses that may enter its existing or future markets. With respect to infant formula products, the Company competes not only with other widely advertised branded products, but also with private label and super store brand products that are generally sold at a lower price point.

Many of the Company's competitors and potential competitors have longer operating histories, greater brand recognition and loyalty, facilities devoted to innovation and nutrition science, complementary product and service offerings, a larger customer base as well as operations dedicated towards identifying consumer preferences, strong industry relationships with both customers and distributors, as well as significantly greater financial, sales, marketing, manufacturing, distribution, technical, and other resources than the Company has. As a result, they may be able to respond more quickly to customer requirements and devote greater resources towards price-based promotional activities better than the Company can. These competitors may also be able to adapt more quickly to new or emerging technologies and standards and may be able to deliver services that are comparable or superior to that of the Company's services at a far more reduced rate. Such pressures may also restrict the Company's ability to increase prices in response to commodities (ingredients and equipment, for example) wages and other applicable cost increases. If the Company is unable to compete effectively, its financial condition and operating results may suffer.

Risks Related to, and Difficulty in Protection of, Intellectual Property

The Company considers its registered patents and patent applications, recipes, know-how and trade secrets, unregistered marks, trademark applications, brand(s), product packaging, advertising and promotion design and artwork(s) to represent a significant portion of its net assets. The Company has, therefore, invested considerable effort in patent protection for its inventions, as well as utilized a combination of security

measures, confidentiality policies, contractual arrangements and trade secret laws to protect its proprietary formulas and other valuable trade secrets. However, there can be no assurance that the steps employed by the Company to protect any intellectual property rights will preclude competitors from developing similar intellectual property. Uncertainties inherent in enforcing intellectual property rights makes the outcome and all associated costs difficult to predict. A failure to obtain or adequately protect intellectual property rights against infringement or misuse may have a material adverse effect on the Company's profitability and financial condition.

The Company currently has patents granted and patent applications as described under "*Intellectual Property and Proprietary Protection*" in the Filing Statement. The successful completion of these patent registration processes, and the eventual ongoing protection of its rights related thereto, is paramount to the success of the Company. Furthermore, the Company expects to apply for additional patents in current and additional geographic regions that may be material to the future business of the Company. There is no guarantee that any such patent registration process will be successful, and there are extensive costs and time delays associated with patent registrations.

The Company has submitted applications for trademark registrations for its brand name, as described under "*Intellectual Property*". There can be no assurance that the Company will be able to detect unauthorized filings of its trademarks or imitations thereof, and to protect and enforce its intellectual property rights domestically and internationally.

There can be no assurance that third parties will not assert infringement claims against the Company or that any infringement claim will not result in costly litigation, substantial damages, the need for the Company to refrain from selling its products, or the need to obtain a license to use third-party intellectual property (which license the Company may be unable to obtain on favorable terms, or at all). Even if the Company is able to prevail against such claims, intellectual property litigation could be costly and time-consuming and divert the attention of management and key personnel from business operations and its results. Such litigation could also result in the payment of damages and other compensation directly, or the requirement to indemnify the Company's customers for such damages and other compensation.

Moreover, the Company may not be able to detect unauthorized use or take appropriate and timely steps to establish and enforce its proprietary rights. Existing legal systems of some countries in which the Company may conduct business may offer only limited protection of intellectual property rights, if at all.

In addition, certain employees, consultants, advisors, third party service providers, may have access to confidential documents during the course of their work. The loss or dissemination of sensitive and/or confidential information could harm the Company's interest and reputation, and have an adverse effect on its results.

Risks Related to Product Development

The Toddler Nutrition Formula, the Children Nutritional Drinks (powder and RTD), and the Cereal product lines are already in commercial manufacturing status. However, there is a risk that the other Else Nutrition Formula based product lines will not be able to reach the commercial production stage.

A failure to complete, successfully and timely, the required commercial manufacturing, or any required product development process, may have a material adverse effect on the Company's profitability and financial condition.

Brand Image, Reputation and Marketing Initiatives

Any adverse publicity concerning marketing practices, food regulation, plant-based or non-dairy market trends, or consumer dissatisfaction relating directly to Company or relating to the infant formula industry as a whole may damage the Company's corporate reputation and brand image, undermine customer confidence and reduce long-term demand for its food products.

The impact of adverse publicity on the Company's operations may be magnified due to the rapidly changing media environment. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative information about the Company, its brand(s) or products on social and digital media, whether valid or not, could seriously damage its brand(s) and reputation quickly, forcing the Company to actively respond to (and curtail to the extent possible) negative feedback received. If the Company is unable to manage its digital activities and interactions, its product sales, financial condition and operating results could be materially and adversely affected. This will be of particular risk to the Company due its current intention to have online sales as a significant channel for distribution. See "*Information Concerning Else Nutrition – Market*" in the Filing Statement.

The success of the Company's sales and marketing initiatives and practices may be subject to risk, including uncertainties about consumer acceptance (towards marketing collateral, activities, programs i.e. influencers marketing campaigns etc. being published), current inventory levels and the ability to communicate key brand and corporate messages to digital audiences. The success of these initiatives is also subject to potential restrictions on product marketing via extensive government regulations and product specific policies as well as materials published and expressed by special interest groups or lobbies (i.e. Dairy board of America, La Leche etc.). Furthermore, consumers and competitors may challenge certain marketing materials and practices by claiming, among other things, false and misleading advertising. A significant claim of judgement against the Company could result in monetary damages, and could limit the Company's ability to maintain sales and marketing practices and negatively impact its profitability. Even if such a claim is unsuccessful or unwarranted, the negative publicity surrounding such assertions could negatively impact the Company's business operations.

Risks Associated with the Development and Expansion of Business in Emerging Markets

The Company's business objectives involve the proposed expansion of its target market into emerging markets, including China and, eventually, other markets in Asia. Emerging markets have greater political and economic volatility and are far more susceptible to labor disruptions than established markets. This expansion presents challenges related to more volatile economic conditions, competition from companies that are already present in the market, the need to identify correctly and leverage appropriate opportunities for sales and marketing, poor protection of intellectual property, inadequate protection against crime (including counterfeiting, corruption and fraud), inadvertent breaches of local laws or regulations and difficulties in recruiting sufficient personnel with appropriate skills and experience.

In many countries outside of Canada and the U.S., particularly in those with developing economies, it may be common for others to engage in business practices prohibited by laws and regulations applicable in Canada and the U.S., such as Canada's *Corruption of Foreign Public Officials Act* or the United States' *Foreign Corrupt Practices Act (FCPA*). These laws prohibit companies and their employees, contractors or agents from making improper payments to government officials for the purpose of obtaining or retaining business. It is possible that some of the Company's employees, subcontractors, agents or partners may violate such legal and regulatory requirements, which may expose the Company to criminal or civil enforcement actions. If the Company fails to comply with such legal and regulatory requirements, its business and reputation may be harmed.

Risk of Decreased Demand for the Company's Service

Demand for the Company's products depends on consumer preferences and how successfully the Company can predict, identify and interpret the tastes and dietary habits of consumers, and to offer products that appeal to their preferences, including concerns regarding product attributes and ingredients at a competitive cost. If the Company does not accurately predict shifts in consumer preferences or fails to introduce new and improved product offerings, sales could decline. In addition, due to the immense competition within the industry, it is imperative the Company is able to offer an array of products that satisfy the broad spectrum of consumer preferences. If the Company fails to expand their product offerings successfully across product categories or is unable to rapidly develop products in faster growing and more profitable categories, demand for its products will decrease and profitability could suffer.

Additionally, the willingness of consumers to purchase premium brand pediatric nutrition products (particularly premium-priced products) depends in part on local economic conditions. For example, consumers may shift their purchases from the Company's costly premium-priced products to lower-priced products or even delay having children. During economic recessive periods, a decrease in the number of working mothers could constrict the Company's customers base, further reducing their sales. The Company must anticipate market trends and the price, performance and functionality requirements of current and potential future customers and must successfully adapt its product offerings to meet these requirements. Failure to do so will have a negative adverse effect on the Company.

There are well documented baby food market trends which suggest demand from consumers shifting from basic to premium baby formula products. These trends indicate an increase in demand for vegan and organic products and highlight consumer's increased sensitivity to clean manufacturing processes. While the Company's new products appear to address these demands, it is not possible to predict the level of success that these new products will have in the market. Failure to penetrate the market in successful and timely manner will have a negative adverse effect on the Company.

Risks Related to Research and Development Activities, Clinical Trials, and Ability to Offer New Products

To remain competitive, the Company must enhance existing products, as well as continue to launch new product offerings. To accomplish this the Company must commit substantial efforts, funds, and other resources to research and development initiatives without any assurance that its efforts will be commercially successful. Failure can occur at any point in the process, including after significant funds have been invested.

The process of developing new nutrition products and specifically pediatric nutrition products, broadly, depends on, amongst other factors, the Company's ability to understand the composition and variation of breast milk, or other comparables, specifically plant-based, non-soy alternatives, and translate these findings into new commercially viable products. Furthermore, the development and commercialization of its products requires acceptance by relevant regulatory authorities, which introduces additional costs and uncertainties. Clinical trials and other studies are required in this respect, which necessitates investment in research and development and testing of ingredients, formulas and production processes. There is no guarantee that development and clinical teams will be able to effectively respond to regulatory requirements or to establish competitive products. The Company has been unable to source commercial infant formula to conduct certain clinical studies due to the ongoing shortage of infant formulas in the U.S. caused by manufacturing sites that have closed or had recalls. The failure of the Company's research and development efforts to be technically or commercially successful could have material adverse effects on the growth of the business and the operating results, and financial condition of the Company. There is no guarantee that the pre-clinical and clinical trials which will be conducted by the Company will succeed demonstrating the

safety and proper development of the subjects under trial. Nor is there any guarantee that, even when successful, these trial results will lead to acceptance and acknowledgement of the new formulation by any of the applicable regulatory authorities. Failure to reach regulatory recognition and/or obtain the necessary permits required to market the product lines may have adverse effect on the Company's, business, financial condition and results of operations.

The Company has Significant Foreign Operations, and there are Risks involved with Foreign Operations

A significant portion of the business and operations of the Company is and will be conducted in foreign jurisdictions. As such, the Company's business and operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within the control of the Company, including, but not limited to, renegotiation or nullification of existing contracts or licenses, regulatory requirements or the personnel administering them, economic sanctions, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets, labor disputes and other risks arising out of foreign governmental sovereignty over the areas in which the Company's business is conducted. The Company's operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment.

If the Company's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed. In the event of a dispute arising in connection with the Company's operations in a foreign jurisdiction where the Company conducts or will conduct its business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond its control, any of which could have a material adverse effect on the Company. The Company believes that its management is sufficiently experienced to reduce these risks.

While a significant portion of the Company's current and future business and customers, particularly in respect of the Baby Formula product line, are expected to be focused in the United States, Europe, Canada, and while the Company's sourcing and manufacturing, particularly in respect of the Toddler Nutrition Formula and Children Nutritional Drink product lines, are expected to be close to these markets and not in the Middle East or Israel, the Company is incorporated in Israel and its headquarters and principal executive and development facilities are located in Tel Aviv, Israel. All of the activities relating to the Baby Snacks and Baby Feeding Accessories business lines has historically been conducted in Israel and is expected to remain in that market for the foreseeable future, with the exception of the plans to expand the Baby Snacks products into North America (See Appendix B – "*Information Concerning Else Nutrition – Description of the Business*" in the Filing Statement). In addition, many of the Company's employees and senior management are Israeli residents. As a result, the Company and its business, to some extent, is vulnerable to the political, economic, legal, regulatory and military conditions affecting Israel and the Middle East.

Several countries, principally in the Middle East, restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies whether as a result of hostilities in the region or otherwise. In addition, there have been increased efforts by activists to cause companies and consumers to boycott Israeli goods based on Israeli government policies. Such actions, particularly if they become more widespread, may adversely impact the Company's ability to sell products, which could have a material adverse effect on the Company's business, results of operations and financial condition.

Market Conditions

Recent market events and conditions and economic disruptions have in the past impacted capital investment initiatives and sales cycles and will continue to impact the performance of the global economy and inevitably the Company moving forward.

Adverse and uncertain economic market conditions, particularly in the locations in which the Company operates, may impact customer and consumer demand for its products and its ability to manage commercial relationships with its customers, suppliers and creditors. Consumers may shift purchases to lower-priced or other perceived value offerings during economic downturns, which may adversely affect the result of operations. More importantly, consumers may also reduce the number of natural products that they purchase where there are conventional alternatives, given that natural products generally have higher retail prices than do their conventional counterparts. Additionally, consumers may choose to purchase private label products rather than branded products, which generally have lower retail prices than do their branded counterparts. Distributors and retailers may become more conservative in response to these conditions and seek to reduce their inventories. The Company's results of operations depend upon, among other things, its ability to maintain and increase sales volumes with existing customers, its ability to attract new customers, the financial condition of its customers and its ability to provide products that appeal to consumers at the right price. A prolonged period of adverse market conditions may impede the Company's ability to grow.

Reliance on Industry Suppliers and Manufacturers

In order to continue executing its business strategy and operations, the Company relies and will continue to rely on external industry partners for the manufacturing and delivery of certain goods, in particular key raw materials and necessary packaging materials. The Company may be unable to manufacture its products in a timely fashion, or at all, if any of its external industry partners (including its manufacturing partners in Israel, India, UK and Bulgaria and manufacturing partners in North America, Europe and elsewhere) should cease or interrupt production or otherwise fail to supply the Company, or if certain supply agreements are suspended, terminated due to price increase or from other reasons, or otherwise expire without renewal, the Company's activities and results could be materially adversely affected. The Company's ability to deliver according to market demands and contractual commitments depends significantly on obtaining a timely and adequate supply of materials, equipment components (when and if necessary), production capacity and other vital offerings and solutions on competitive terms.

In the manufacturing process of some of the products for infants, toddlers, children and adults, the Company uses hydrolyzed buckwheat procured and produced exclusively for the Company by two manufacturing sources in Germany and in the U.S. If these manufacturing partnerships should be suspended or terminated for any reason, the Company may be unable to manufacture these products in a timely fashion, or at all, and the Company's activities and results could be materially adversely affected.

In the manufacturing process of the infants, toddlers, children and adults powder products, the Company is currently using one third party toll powder manufacturers in the U.S. and one third party manufacturer in Europe. If these powder manufacturers cease production of the Company's products, or experiences delays or capacity shortages, the Company may be unable to manufacture these products in a timely fashion and/or in adequate quantities or at all, and the Company's activities and results could be materially adversely affected. The Company is using organic raw material, the supply of which could be affected by seasonal shortages. In an event of such shortage, the Company may be unable to manufacture these products in adequate quantities or at all, and the Company's activities and results could be materially adversely affected.

The Company may continue to experience delays in certain research and development milestones. These delays are expected to be primarily caused by business and government closures of testing laboratories and regulatory agencies delays in inputs and responses, hospital restrictions on recruitment of subjects to new clinical studies, and recently, the continuous infant formula shortage crisis (which has included multiple recall events of leading infant nutrition brands in the U.S.) poses another delay in the Company's ability to start the clinical growth study, due to lack of ability to source a control formula for the comparator arm in the study. The Company may experience ongoing delays in FDA and other regulatory agencies reviewing process and long waiting times for input and responses required to obtain necessary EMA, FDA and other regulatory approvals as a result of ongoing pandemic related restrictions, or as a result of the long-lasting North American infant formula shortage which diverted resources to vet and grant temporary marketing permits to new and foreign infant formula brands as a response to the shortage.

Potential Political, Economic and Military Instability in Middle East and Israel

The Company's head office is located in Tel Aviv, Israel. The Company also has manufacturing, product packaging and distribution centres in Israel for its Baby Snacks and Baby Feeding Accessories product lines. Political, economic and military conditions in and surrounding Israel may directly affect its business. Ongoing attacks and hostilities involving Israel and surrounding states and territories, including hostilities between Israel, Hezbollah and Hamas ; as well as tensions between Israel and Iran, have heightened these risks, including recent attacks and hostilities between Israel and Hamas following the Hamas incursion into Israel on October 7, 2023 , the subsequent military actions in the Gaza Strip, the West Bank and Lebanon and the US-Israeli Iran war in February 26, 2026. These hostilities and tensions could result in a significant disruption of the Company's business, including from any requirement on management and staff of the Company to perform military reserve duty.

Risks Associated with Access to and Cost of Raw Materials

The Company is dependent on a sufficient supply of raw materials, which include sufficient quantities of buckwheat and almonds, tapioca, vitamins and minerals mixes, trace elements or any other ingredients that are required to meet current and future customer demand for the Company's products. These materials are necessary for the commercial production of the Company's various product offerings, and include primary packaging materials. Variations in supply and demand (of these materials) at global or regional levels, weather conditions, regulatory changes and geopolitical events (changes in production methods, trade saturation, etc.) could substantially impact the price and availability of both, raw materials and materials needed to package the Company's products, which could result in loss of sales or claims against the Company as well as adversely affect its brand and reputation. Profitability of the Company is sensitive to fluctuations in wholesale prices of these raw materials as well as other factors such as energy, fuel, equipment, labor and shipping costs and other market conditions, all of which are external factors, beyond the Company's control.

In addition, some of Company's products are certified "Organic", and will require sourcing of raw material which meets the organic certification standard. Such raw materials may be more sensitive to variations in supply and demand at global or regional levels, weather conditions, regulatory changes, and price volatility.

If the acquisition of sufficient raw materials on a timely basis and at commercially reasonable prices from current suppliers becomes an issue, and the Company is unable to find one or more replacement suppliers, at a substantially equivalent cost in substantially equivalent volumes and quality on a timely basis, the Company will likely be unable to meet customer demand. In particular, a potential increase in the prices of these raw materials and other materials may not be passed on, either in full or in part, in the sales price of the Company's products. This could have a significant adverse effect on the Company's business, financial condition and results of operations. See also the Risk Factor above entitled "*Significant Risks Related to Production, Food Safety and Product Recalls*" which discusses certain risks inherent in sourcing and utilizing agricultural or plant-based ingredients for the production of highly-regulated products.

Risks relating to Online Sales and Information Technology Systems in General

Information technology systems (including cloud services and third-party providers) on which the Company relies to effectively market and sell its products, manage business data, communications, supply/distributor chains, and other business processes may be susceptible to damage or interruption due to system failures, computer viruses, security breaches, telecommunication failures, user error or other factors. If a significant attack or disruption occurs and is not effectively resolved in a timely manner, the business may suffer a series of adverse consequences, including increased costs and expenses, problems with product functionality, damage to customer relations, lost revenue and legal or regulatory penalties.

Security breaches and attacks could compromise confidential information or lead to the improper use of the Company's systems and networks, the manipulation and destructions of data, production downtimes and operational disruptions. If the Company is unable to prevent security breaches or disclosure of confidential information, it may suffer financial and reputational damage.

Foreign Currency and Exchange Rate Risk

Depending on the nature of the contract, the Company may be required to purchase materials from overseas suppliers and those supplies may be purchased using either the U.S. dollar, the Euro or the Israeli Shekel. These purchases are subject to fluctuations in currency exchange rates. These fluctuations could cause material variations in the Company's operations, particularly as the U.S. dollar, the Euro or the Israeli Shekel strengthens, and does so at an accelerated pace.

The Company's expenditures are currently incurred in United States Dollars and, as the Company expands, its revenue and operating expenses may be earned or incurred in, or otherwise denominated or linked to, other or multiple different currencies, including the U.S. Dollar and the Euro. Future funds for growth and expansion are likely in the near-term to be raised by accessing capital markets in Canada and, as such are likely to be denominated in Canadian Dollars.

Foreign governments may restrict the Company's ability to exchange local currencies for more marketable currencies and may limit the Company's ability to pay dividends, to pay non-local currency accounts payable or to obtain currencies (other than the local currency) which may be more desirable to hold. Foreign governments may also simultaneously restrict the Company's ability to increase prices in inflationary environments where local currencies are under significant pressure. Without the ability to increase prices to offset the impact of local currency devaluation, the Company's ability to manage foreign exchange risk may be further limited.

Liquidity and Additional Funding Requirements

Depending on the Company's future plans, it may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms to the Company. Additional equity financing will result in dilution to the existing shareholder based.

Given the resources required to operate and complete in the competitive global food industry, the Company's cash flow or funds in reserve may not be sufficient to fund its ongoing activities at all times and every so often it may require additional financing in order to carry out its activities. There is risk that, if the economy and banking industry experienced unexpected and/or prolonged deterioration, the Company's access to additional financing may be affected. Due to uncertainty in the credit and capital markets, the Company may from time to time have restricted access to capital and increased borrowing costs. To the extent that external sources of capital become limited, unavailable, or available on onerous terms, the Company's ability to continue R&D activities, operations, make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result.

Furthermore, it is possible that in the event of a systemic financial crisis, the Company may be unable to access the financing or refinancing it needs on either the credit or capital markets, or the ability to access it on satisfactory terms, which could also have an adverse impact on its financial situation.

Dilution

Additional financing is needed to continue funding the development and operation of the Company may require the issuance of additional securities of the Company. The issuance of additional securities and the exercise of Common Share purchase warrants, stock options and other convertible securities of the Company will result in dilution of the equity interests of any persons who are or may become holders of Common Shares.

Price Volatility

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in prices will not occur. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long term value of the Company.

Tax Risks

Depending on the Company's global expansion plans, the Company may operate and be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Company's earning may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Company may have exposure to greater than anticipated tax liabilities or expenses.

Furthermore, there is no assurance that any foreign country in which the Company may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Tariff Risks

The United States government has indicated its intent to adopt a new approach to trade policy and, in some cases, an intent to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements. The imposition of new tariffs by the U.S. and any retaliatory tariffs implemented by other countries could materially and adversely affect our business, financial condition and results of operations.

The implementation of additional tariffs, or any future escalation in trade barriers, could make it more difficult or costly to export products from the U.S. and increase the cost of components and raw materials that we source for our U.S.-based manufacturing and procurement framework. These increased costs could reduce profit margins, necessitate price adjustments, dampen customer demand, or disrupt supply chain continuity, all of which could have a material adverse effect on our business, financial condition, and results of operations. Moreover, supply chain disruptions, increased procurement costs, and the potential need to identify alternative suppliers or manufacturing locations could result in delays, increased capital expenditures, and additional logistical complexities. Trade restrictions may also influence the competitive landscape in unexpected ways given the disparate impact and exposure to U.S. tariffs and varied responses by countries targeted by U.S. tariffs. Finally, uncertainty surrounding future trade policies may result in volatility in foreign exchange rates and input costs, further complicating our ability to strategically plan and allocate resources efficiently.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's financial instruments that may be exposed to credit risk consist of cash and cash equivalents, trade receivables/amounts due from customers for contract work. The Company's exposure to credit risk is impacted by the economic conditions for the industry which could affect the customers' ability to satisfy their obligations. Unfavourable economic conditions in certain countries may also increase the time it takes to collect outstanding trade receivables. Financial instability and fiscal deficits in these countries may result in additional austerity measures to reduce costs, including health care. In order to reduce risks, the Company performs periodic credit evaluations of the financial conditions of its customers and typically does not require collateral from them.

Interest Risk

The Company is or may be exposed to interest rate risk on its current or future financial liabilities as well as its cash and cash equivalents. Exposure to interest rate fluctuations is mainly interest paid on short-term borrowings.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company currently has limited cash available and as a result the Company's audited financial statements for the year ended December 31, 2025 include a going concern note. The Company's ability to continue as a going concern is dependent upon its ability to generate product sales, negotiate collaboration agreements with upfront and/or continuing payments, raise additional equity or debt financing, and ultimately attain and maintain profitable operations, none of which are guaranteed. The Company is seeking to raise additional capital to ensure, as far as reasonably possible, it will have sufficient

capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash.

DIVIDENDS AND DISTRIBUTIONS

The Company has paid no dividends since its inception. At the present time, the Company intends to retain any earnings to fund working capital and grow the business of the Company. The payment of dividends in the future will depend on the earnings and financial condition of the Company and on such other facts as the Board of Directors may consider appropriate. There are no plans to pay dividends in the foreseeable future.

CAPITAL STRUCTURE

Share Capital

The authorized capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. As at March 31, 2026, there were 47,941,112 Common Shares issued and outstanding and there were no preferred shares issued and outstanding.

Common Shares

The holders of the Common Shares are entitled to notice of, to attend, and to vote at all meetings of the Company's shareholders. The holders of the Common Shares are entitled to receive dividends if, as and when declared by the directors, and rank *pari passu* with one another in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company.

The Company's Common Shares carry no pre-emptive rights, conversion or exchange rights, retraction, sinking fund or purchase fund provisions. There are no provisions requiring the holders the Common Shares of the Company to contribute additional capital and no restrictions on the issuance of additional securities by the Company. There are no restrictions on the repurchase or redemption of shares by the Company except as otherwise set out herein and to the extent that any such repurchase or redemption would render the Company insolvent pursuant to the BCBCA.

Stock Options

As at March 31, 2026, the Company had 656,252 stock options to purchase Common Shares outstanding as follows:

Date of Issuance	Number Outstanding	Exercise Price	Expiry Date
12/06/2019	290,500	2.5	12/06/2029
20/07/2020	68,750	2.85	20/07/2030
13/05/2021	10,000	20.3	13/05/2026
13/05/2021	7,500	2.85	13/05/2031
12/11/2021	35,000	2.85	12/11/2031
12/11/2021	16,250	16.5	12/11/2031
12/11/2021	15,158	16.5	12/11/2026
02/08/2022	13,000	6.7	02/08/2027
02/08/2022	20,000	2.85	02/08/2032
04/10/2022	43,750	2.85	04/10/2032
04/10/2022	12,500	6.6	04/10/2032

Date of Issuance	Number Outstanding	Exercise Price	Expiry Date
04/10/2022	17,400	6.6	04/10/2027
14/12/2022	16,444	5	14/12/2027
05/03/2024	32,500	2.6	05/03/2034
05/03/2024	57,500	2.6	05/03/2029

Warrants

As at March 31, 2026, the Company had 24,657,764 warrants to purchase Common Shares of the Company outstanding as follows:

Date of Issuance	Number Issued	Exercise Price	Expiry Date
2026-03-23	4,684,902	$0.086	2030-03-23
2026-01-06	3,019,088	$0.1334	2030-01-06
2025-11-24	2,069,781	$0.2310	2029-11-24
2025-02-13	6,216,522	$0.20	2029-02-13
2024-07-05	1,417,218	US$1.51	2029-07-05
2024-05-07	415,987	$3.20	2028-05-07
2023-11-21	65,000	$4.85	2026-11-21
2023-11-21	1,300,000	US$1.51	2029-07-05
2023-07-07	359,178	$9.058	2027-07-07
2022-12-22	824,713	$11.50	2026-12-26
2022-06-29	285,714	$1.51	2029-07-05
2022-06-29	414,686	$12.50	2027-06-29
2021-10-20	404,826	$27.00	2026-10-20
2019-06-12	3,180,149	$0.001	2027-06-12

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares currently trade on the TSX under the symbol “BABY”, on the OTCQX under the symbol “BABYF” and on the FSE under the symbol “0YL”. The following table shows the high and low closing prices and total trading volume of the Common Shares on the TSX on a monthly basis for the financial year ended December 31, 2025:

Month	High	Low	Volume
December 2025	$0.19	$0.10	1,865,029
November 2025	$0.22	$0.09	2,196,734
October 2025	$0.20	$0.10	1,303,184
September 2025	$0.40	$0.15	977,995
August 2025	$0.20	$0.20	-
July 2025	$0.20	$0.20	-
June 2025	$0.20	$0.10	878,302
May 2025	$0.20	$0.10	1,167,501
April 2025	$0.30	$0.10	1,449,986
March 2025	$0.45	$0.10	2,302,584
February 2025	$0.25	$0.15	1,198,032
January 2025	$0.40	$0.15	2,095,994

Notes:
1. On November 6, 2025, the Company's shares were consolidated by a ratio of 10:1.

The 2021 Warrants currently trade on the TSX under the symbol "BABY.WT.A". The following table shows the high and low closing prices and total trading volume of the 2021 Warrants on the TSX on a monthly basis for the financial year ended December 31, 2025:

Month	High	Low	Volume
December 2025	$0.005	$0.005	5,000
November 2025	$0.015	$0.015	1,000
October 2025	$0.15	$0.15	1,000
September 2025	-	-	-
August 2025	-	-	-
July 2025	-	-	-
June 2025	$0.005	$0.005	18,000
May 2025	$0.005	$0.005	2,000
April 2025	$0.005	$0.005	1,000
March 2025	$0.015	$0.005	22,000
February 2025	-	-	-
January 2025	$0. 15	$0.15	9,000

Notes:
1. On November 6, 2025, the Company completed a reverse share split (the "Reverse Split"), whereby every 10 ordinary shares of the Company were consolidated into 1 ordinary share. The Reverse Split did not change the total authorized share capital of the Company or the proportionate ownership interests of the Company's shareholders.

Prior Sales

During the most recently completed financial year the Company issued the following securities that are outstanding, but not listed or quoted on a marketplace:

Type of Securities	Date of issue or grant	Number of Securities	Issue or Exercise Price of Security	Expiry date
Warrants	2025-11-24	2,069,781	$0.2310	2029-11-24
Convertible Security	2025-11-23	See note 4	US$420,000	
Convertible Security	February until September 2025	See note 3	US$1,500,000	
Warrants	2025-02-13	6,216,522	$0.20	2029-02-13
Warrants	2024-07-05	1,417,218	US$1.51	2029-07-05
Convertible Security	2024-05-07	See note 2	US$1,200,000	
Warrants	2024-05-07	415,987	$3.20	2028-05-07
Warrants	2023-11-21	1,300,000	US$1.51	2029-07-05
Warrants	2023-11-21	65,000	$4.85	2026-11-21
Warrants	2023-07-07	359,177	$9.058	2027-07-07
Convertible Security	2023-07-07	See note 1	US$3,000,000	
Warrants	2022-12-22	824,713	$11.50	2026-12-22

Notes:

(1) Issued in connection with the amendment to the Company's convertible security funding agreement with Lind Global Fund II LP. Convertible into such number of Common Shares equal to the face value of US$8.1M divided by a conversion price equal to 85% of the 5-day VWAP immediately prior to each conversion. On July 7, 2023, the Company increased the face value of the convertible security by US$3M from US$5.1M to US$8.1M. The balance of the convertible security as of the date of this AIF is US$39,000.

(2) Second Convertible Security issued in connection with an amendment to the Company's convertible security funding agreement with Lind Global Fund II LP. Convertible into such number of Common Shares equal to the face value of US$1.2M divided by a conversion price equal to 85% of the 5-day VWAP immediately prior to each conversion. The balance of the convertible security as of the date of this AIF is US$1,200,000.

(3) Third and fourth Convertible Security issued in connection with an amendment to the Company's convertible security funding agreement with Lind Global Fund II LP. Convertible into such number of Common Shares equal to the face value of US$1,500,000 divided by a conversion price equal to 80% of the 5-day VWAP immediately prior to each conversion. The balance of the convertible security as of the date of this AIF is US$1,500,000.

(4) Issued in connection with the Company's convertible security funding agreement with Lind Global Fund III LP date November 23, 2025. Convertible into such number of Common Shares equal to the face value of US$420,000 divided by a conversion price equal to 80% of the 5-day VWAP immediately prior to each conversion until November 24, 2027 or that date on which there is nil remaining. The balance of the convertible security as of the date of this AIF is US$420,000.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders. As a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 3,045,502 Common Shares, representing approximately 7.63% of the Common Shares outstanding as at the date of this AIF.

The following table sets out the names of the current directors and executive officers of the Company as at the end of the Company's most recently completed year ended December 31, 2025, the provinces or states and countries of their residence, their positions with the Company, their principal occupations within the five preceding years, the periods during which each director has served as a director of the Company and the number of Common Shares and percentage of the issued Common Shares beneficially owned, directly or indirectly, or subject to control or direction by that person.

Name, Municipality of Residence and Position	Principal Occupation for the Past Five Years[(1)]	Director/Executive Officer Since	Number and Percentage of Common Shares Beneficially Owned or Controlled[(1)(2)]
Hamutal Yitzhak Israel *Chief Executive Officer, Chairman & Director*	Ms. Yitzhak has held various management positions with pharmaceutical and healthcare companies over the past 25 years, specializing in infant and toddler nutrition. Ms. Yitzhak is a director, CEO and co-founder of the Company's operating subsidiary. From 2007 to June 2019, Ms. Yitzhak was the co-founder and co-CEO of Golden Heart F.M.C.G. Ltd. which developed, manufactured and distributed healthy baby foods in the Israeli market	June 12, 2019	1,323,002 3.31%
Uriel Kesler Israel *Chief Operating Officer & Director*	Mr. Kesler has held varied management positions with healthcare and food supply companies over the past 30 years, specializing in infant and toddler nutrition. Mr. Kesler is a director, COO and co-founder of the Company's operating subsidiary. From 2007 to June 2019, Mr. Kesler was the co-founder and co-CEO of Golden Heart F.M.G.C. Ltd. which developed, manufactured and distributed healthy baby foods in the Israeli market.	June 12, 2019	1,323,002 3.31%
Satwinder Mann[(3)] British Columbia, Canada *Director*	Mr. Mann is an entrepreneur with over 20 years of experience in operating a chain of Medicine Shoppe Pharmacies in Greater Vancouver, Canada. In 1998, he co-founded Medicine Shoppe Pharmacies, and, along with his partners, helped to develop and innovate the online Pharmacy business in the USA.	June 12, 2019	65,000 <1%

Name, Municipality of Residence and Position	Principal Occupation for the Past Five Years[1]	Director/Executive Officer Since	Number and Percentage of Common Shares Beneficially Owned or Controlled[1][2]
Eli Ronen[3] Israel *Director*	Mr. Ronen has over 20 years of experience in the Environmental Engineering industry including as the Israeli general manager of the infrastructure ministry and the Chairman of the Israeli National Water company. Mr. Ronen served as a director of the engineering planning company Top Engineering (from 2011 until 2016) and a director of a water treatment clean-tech company Atlantium Technologies (from 2015 to 2019). Since 2010, Mr. Ronen has served as the CEO and Co-Founder of Wise Solution Ltd., a company that provides engineering solutions mainly to environmental companies.	November 14, 2019	Nil
Yaki Lutski[3] Israel *Director*	Mr. Lutski has been the Chairman of UniKo (formerly, F.C.C. Hanjin Shipping) shipping and logistics group since 2007. Mr. Lutski works as a consultant in the fields of strategic management, marketing systems control, and pharmaceuticals.	June 29, 2023	Nil
Natie Zilberberg Israel *Chief Financial Officer & Corporate Secretary*	Mr. Zilberberg is an accomplished finance executive and Certified Accountant, formerly served as CFO of Tomgrow, a VC-backed agrotech company, Financial Controller at Salaryo, a fintech company providing credit solutions to U.S. SMEs	December 29, 2025	Nil
Michael Azar Israel *Chief Technology Officer*	Mr. Azar is a co-founder the Company. Over the past 30 years, Mr. Azar has worked as a chemical and food technology specialist. Mr. Azar was involved with the founding of Materna - an infant formula producer based in Israel - where he worked in various technological and management positions, including serving as the CEO from 2005 to 2009.	June 12, 2019	293,998 <1%

Name, Municipality of Residence and Position	Principal Occupation for the Past Five Years[(1)]	Director/Executive Officer Since	Number and Percentage of Common Shares Beneficially Owned or Controlled[(1)(2)]
Reuben Halevi Israel *Vice President Sales Operations*	In 2006-2011 Mr. Halevi led U.S. Operations and Global SCM for Retalix, a public retail technology company (Nasdaq: RTLX, acquired by NCR). Since 2011, Mr. Halevi provided strategy, funding, biz-dev and management consulting to high-tech start-ups, IT and technology strategy consulting for the Israel Innovation Authority, and served as VP Engineering and CTO for MIND CTI, a public telecom billing company (Nasdaq: MNDO).	June 12, 2019	40,500 <1%

Notes:

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled have been provided by the directors and officers.

(2) This information was derived from insider and beneficial ownership reports available at www.sedi.com.

(3) Member of Audit Committee.

Cease Trade Orders

To the knowledge of the Company, other than as disclosed herein, no director or executive officer of the Company, or a personal holding company of such person is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, CEO or CFO of any company that:

(a) was subject to a cease trade or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as a director, CEO or CFO of such company; or

(b) was subject to a cease trade or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO but which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, CEO or CFO of such company.

On April 1, 2025, the British Columbia Securities Commission issued a voluntary management cease trade order against the Company due to its inability to file its financial statements for the year ended December 31, 2024 for a number of reasons. Copies of the news releases regarding the voluntary management cease trade order and bi-weekly default status reports are available under the Company's profile on the SEDAR+ website at www.sedarplus.ca.

Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities to affect materially the control of the Company, or a personal holding company of such person:

(a) is, as at the date of this AIF, or has been within ten years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer;

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors or officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. The directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors and officers of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

To the best of the Company's knowledge, and other than as disclosed above and elsewhere in this AIF, there are no known existing or potential conflicts of interest among the Company, its subsidiaries, directors and officers or other members of management of the Company or its subsidiaries as a result of their outside business interests.

Audit Committee Information

Pursuant to the provisions of the BCBCA and NI 52-110 of the Canadian Securities Administrators, the Company is required to have an Audit Committee and to disclose in its Annual Information Form certain information concerning the constitution of its audit committee and its relationship with the Company's independent auditor. The general function of the Audit Committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit, and to resolve any potential dispute with the Company's auditor.

Audit Committee Charter

A copy of the charter of the Audit Committee is attached to this AIF as Schedule "A".

Composition of the Audit Committee

The Company's current Audit Committee consists of Eli Ronen (Chair), Satwinder Mann, and Yaki Lutski.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, that could, in the view of the Board of Directors, reasonably interfere with the exercise of the member's independent judgment. All of the Company's current Audit Committee members are "independent" within the meaning of NI 52-110.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Satwinder Mann – Mr. Mann is an entrepreneur with over 20 years of experience in operating a chain of Medicine Shoppe Pharmacies in Greater Vancouver, Canada. Mr. Mann's experience allows him to analyze or evaluate the Company's financial statements.

Eli Ronen (Chair) – Mr. Ronen has over 20 years of experience in the Environmental Engineering industry, and served as a director for multiple companies. He obtained a B.A. in Economics and Political Science and a Master of Arts in Economics, Finance and Business Administration. Mr. Ronen's experience allows him to analyze or evaluate the Company's financial statements.

Yaki Lutski – Mr. Lutski has been the Chairman of UniKo (formerly, F.C.C. Hanjin Shipping) shipping and logistics group since 2007. Mr. Lutski obtained a Bachelor of Arts Degree from the Department of Economics, Sociology, and Political Science of Bar Ilan University and a Master of Arts Degree from the University of Haifa in Public Health Systems Management. Mr. Lutski has over 20 years of experience as an executive in the biotechnology, healthcare, and transportation industries. Mr. Lutski's experience allows him to analyze or evaluate the Company's financial statements.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 (De Minimis Non-Audit Services), subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), or under Part 8 (Exemption) of NI 52-110. The Company has also not relied on the exemption in subsection 3.3(2) (Controlled Companies), section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), or section 3.8 (Acquisition of Financial Literacy).

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor that were not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The aggregate fees billed to the Company for the last two (2) fiscal years noted below by Kost Forer Gabbay & Kasierer, a member firm of EY Global Limited, ("**KFGK**"), the Company's auditor, are as follows:

Financial Year Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
December 31, 2025	$247,649	Nil	15,470	Nil
December 31, 2024	$315,069	$61,644	95,890	Nil

Notes:

(1) Audit fees consist of fees billed for professional services rendered for the audit of our consolidated annual financial statements and review of the interim consolidated financial statements included in our quarterly reports, consultation concerning financial reporting and accounting standards, and services provided in connection with statutory and regulatory filings or engagements, including consent procedures in connection with public filings.

(2) Audit-related fees consist of fees billed for related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and that are not reported under "Audit Fees".

(3) Tax fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning (domestic and international). These services include assistance regarding federal, provincial, state, and international tax compliance, and transfer pricing studies and advisory services.

(4) All other fees consist of fees for all other professional services and products rendered by KFGK.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed herein, the Company is not aware of any legal proceedings to which the Company is or was a party, or to which the Company's property is or was subject, either during the financial year ended December 31, 2025, or as of the date hereof, nor is the Company aware that any such proceedings are contemplated.

An action was commenced against Else Nutrition USA, Inc. ("**Else USA**"), a wholly-owned subsidiary of the Company, in the District of Nevada, federal district court, by American Nutritional Corporation, Inc. ("**ANC**") (Case No. 22-cv-01286-APG-EJY).

The action arises from a dispute between ANC and Else USA in regards to ANC's packaging of Else USA's Toddler organic powder. ANC has filed a claim against Else USA alleging breach of contract and unjust enrichment, and Else USA has filed a counterclaim against ANC for breach of contract and breach of implied warranty. In the action, Else USA asserts that ANC allowed Else USA's Toddler organic powder to become contaminated with unacceptable animal proteins, and asserts that the contamination caused damages to Else USA of at least US$382,561. ANC denies that assertion, and alleges that Else USA owes ANC at least US$252,924 in fees.

On October 21, 2024, the Company reached a settlement agreement and mutual file release with ANC in which both parties waive their claims, and the Company will pay a total amount of US$145 thousand (approximately $202) in three tranches of US$48 thousand on October 2024, January 2025 and April 2025. All of those three tranches have already been paid.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, no informed person (a director, officer or holder of 10% or more Common Shares) or any associate or affiliate of any informed person had any interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries, within the three most recently completed financial years or during the current financial year.

TRANSFER AGENT AND REGISTRAR

The Company's Registrar and Transfer Agent for the Common Shares is Computershare Investor Services Inc. at its principal offices at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

The following is a description of each material contract entered into by the Company since the beginning of the last financial year ended December 31, 2025, or before the last financial year, if such material contract is still in effect:

1. Amended and Restated Convertible Security Funding Agreement made as of December 18, 2022 and amended and restated as of February 13, 2025, between the Company and Lind Global Fund II LP pursuant to which the Company issuance of a Third Convertible Security with a face value of $750,000 and Fourth Convertible Security with a face value of $750,000, for net proceeds of up to US$1,200,000.
2. Convertible Security Funding Agreement made as of November 23, 2025, between the Company and The Lind Partners LLC for net proceeds of up to US$1,280,000.

INTEREST OF EXPERTS

Names of Experts

The following experts have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – *Continuous Disclosure Obligations* by the Company during, or relating to, the year ended December 31, 2025, whose profession or business gives authority to the report, valuation, statement or opinion made by such expert.

The auditors of the Company are KFGK, who prepared an independent auditor's report in respect of the audited financial statements of the Company for the years ended December 31, 2025 and 2024. KFGK, located at 144 Menachem Begin RD, Tel Aviv, Israel, 6492102, has advised the Company that they are independent of the Company within the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

Interests of Experts

To the knowledge of the Company based on information provided by the experts, none of the experts named above, at the time of preparing the applicable report, valuation, statement or opinion, held or has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates in connection with the preparation or certification of any report, valuation, statement or opinion prepared by such person.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca.

Additional financial information is provided in the Company's audited financial statements and MD&A for the year ended December 31, 2025.

Copies of the financial statements and MD&A may be obtained upon request from the Company's head office by: (i) mail to 1048 165th Street, Surrey, British Columbia, V4A 9A2 or may be viewed on the Company's website (www.elsenutrition.com) or on the SEDAR+ website (www.sedarplus.ca).

Schedule "A"

Audit Committee Charter of Else Nutrition Holdings Inc.

(the "**Company**")

1. OVERALL PURPOSE & OBJECTIVES

This audit committee charter (the "**Charter**") of the Company provides that the audit committee (the "**Committee**") will assist the Board of Directors of the Company (the "**Board**") in fulfilling its responsibilities. The Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. The Committee will also be responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company's business, operations and risks.

2. AUTHORITY

The Board authorizes the Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to communicate directly with the outside legal or professional advice, and to ensure the attendance of the Company officers at meetings as appropriate.

3. ORGANIZATION

3.1 Membership

a. The Committee will be comprised of at least three directors of the Company, all of whom must meet the independence requirements of the Toronto Stock Exchange and applicable securities law.

b. The chairman of the audit Committee will be nominated by the Committee from time to time (the "Chairman").

c. Each member will be "financially literate" as defined in the applicable securities regulatory requirements or shall become financially literate within a reasonable period of time after his or her appointment to the Committee.

3.2 Attendance at Meetings

a. The Committee may invite such other persons (e.g. the CEO or outside legal counsel) to its meetings, as it deems appropriate or to meet with any members of, or consult with, the Committee.

b. The external auditors may be present at each quarterly audit Committee meeting to comment on the financial statements in accordance with best practices. Proper notice of the arrangements of the meeting shall be given by the Committee to the external auditors.

3.3 Committee Meetings

a. Meetings shall be held not less than four times a year either in person, by telephone or by way of electronic means. Special meetings shall be convened as required.

b. The proceedings of all meetings will be minuted.

c. The Committee shall report its decisions and recommendations to the Board after each meeting.

3.4 Removal & Compensation

a. A member shall be automatically removed without further action of the Board if the member ceases to be a director of the Company or is found by the Board to no longer be an independent director as required by this Charter. Committee members may otherwise be removed or replaced by a vote of the Board.

b. No member serving on the Committee shall receive directly or indirectly, any compensation, advisory or other compensation fee from the Company or than director fees for service as a director or as otherwise permitted by applicable securities law.

3.5 Quorum & Majority Voting

Except as otherwise provided by this Charter or applicable laws or regulations, as amended from time to time:

a. A majority of the members of the Committee meeting, either present in person or by means of remote communication, or represented by proxy, shall constitute quorum for the transaction of business at all meetings of the Committee; and

b. All actions of the Committee shall be by affirmative vote of a majority of those members so determined to be present or represented by proxy.

4. RESPONSIBILITIES OF THE CHAIRMAN OF THE COMMITTEE

The Chairman will:

a. Call and set an agenda for the meetings of the Committee.

b. Chair the Committee meetings and supervise the conduct of the meeting.

c. Ensure that the members of the Committee are familiar with their duties and obligations under this Charter.

5. RESPONSIBILITIES OF THE COMMITTEE

The following are the general duties and responsibilities of the Committee:

5.1 External Auditors

a. Recommend to the Board the external auditors to be nominated for the purpose of acting as the Company's external auditors as well as the compensation.

b. Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting and to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

c. Pre-approve in advance the provision of any services by the external auditors provided to the Company or its subsidiaries other than auditing services.

d. Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

e. Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management and monitor their effectiveness.

5.2 Financial Statements and Disclosure Matters

a. Review the Company's annual and quarterly financial statements, Management's Discussion and Analysis, and interim earnings press releases before the Company discloses this information; determine whether they are complete and consistent with the information known to Committee members; determine that the external auditors are satisfied, and that the audited financial statements have been prepared in accordance with International Financial Reporting Standards.

b. Be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures.

c. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

5.3 Risk Management

a. Gain an understanding of the current areas of greatest financial risk and whether management is managing those effectively.

b. Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.

c. Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

d. Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

e. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

f. Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

5.4 Reporting Responsibilities

The Committee shall report to the Board on a regular basis, and in any event:

a. annually, with an assessment of the performance of management in the preparation of financial statements and external auditors in conducting the annual auditor of the Company following the end of each fiscal year;

b. before public disclosure by the Company of its financial statements, management's discussion and analysis and any press releases regarding annual and period profit or loss and any reports or other financial information submitted to any governmental body or to the public;

c. as required by applicable legislation, regulatory requirements and policies of Canadian Securities Administrators; and

d. where, in the opinion of the Committee, it is necessary to ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

5.5 Whistleblowing Policy

Establish appropriate procedures for:

a. the receipt, retention, and treatment of complaints that the Company receives relating to its internal accounting controls or auditing matters;

b. the confidential, anonymous submissions by employees of the Company regarding concerns with respect to accounting or auditing matters; or

c. to investigate concerns and complaints of violations to the Code of Business Conduct and Ethics of the Company as mandated therein.

6. POLICY REVIEW

The Committee will review and evaluate this Charter periodically for the purpose of evaluating its effectiveness and changes or additions approved by the Board or as mandated by regulatory changes or developments.

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