

ELSE NUTRITION HOLDINGS INC.
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2023
(in Canadian Dollars in Thousands)

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ELSE NUTRITION HOLDINGS INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor, Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global), has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim consolidated financial statements by an entity's auditor.

November 14, 2023

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**Canadian dollars in thousands**

	September 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	3,041	14,564
Restricted cash	1,156	1,180
Short term bank deposit	29	817
Trade receivables	1,631	1,495
Other accounts receivables and prepaid expenses	526	823
Inventories	8,599	5,910
	<u>14,982</u>	<u>24,789</u>
NON-CURRENT ASSETS:		
Property, plant and equipment, net	444	533
Intangible assets, net	200	263
Right-of-use assets	379	578
	<u>1,023</u>	<u>1,374</u>
Total assets	<u><u>16,005</u></u>	<u><u>26,163</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Trade payables	1,916	2,199
Other account payables	764	923
Related parties	9	9
Current portion of lease liability	209	238
	<u>2,898</u>	<u>3,369</u>
NON-CURRENT LIABILITIES:		
Lease liability	151	320
Warrants liability	1,862	4,072
Convertible loan	2,388	2,807
	<u>4,401</u>	<u>7,199</u>
EQUITY:		
Share capital and premium	62,411	59,716
Other reserve	4,971	4,791
Accumulated other comprehensive income (loss)	701	(44)
Accumulated deficit	(59,377)	(48,868)
Total equity	<u>8,706</u>	<u>15,595</u>
Total liabilities and equity	<u><u>16,005</u></u>	<u><u>26,163</u></u>

The accompanying notes are an integral part of the interim consolidated financial statements.

November 14, 2023	<i>"Hamutal Yitzhak"</i>	<i>"Sokhie Puar"</i>
Date of approval of the financial statements	Hamutal Yitzhak CEO and Director	Sokhie Puar Director

**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
COMPREHENSIVE LOSS**

Canadian dollars in thousands, except share and per share data

	Nine months ended 30 September,		Three months ended 30 September,	
	2023	2022	2023	2022
Revenues	6,999	6,135	1,713	2,226
Cost of sales (purchased products)	6,992	4,731	1,926	1,845
Gross profit (loss)	7	1,404	(213)	381
Operating expenses:				
Employee benefits expense	3,784	4,400	1,084	1,429
Research and development subcontractors	2,093	1,865	295	604
Share-based compensation	192	794	100	33
Consulting fees	663	890	107	299
Professional fees	576	634	185	91
Advertising	3,339	4,658	1,015	1,543
Depreciation and amortization	392	392	123	108
Investors relations	246	482	124	74
Office and miscellaneous	1,306	1,978	470	1,046
Total operating expenses	12,591	16,093	3,503	5,227
Loss before other income (expenses)	(12,584)	(14,689)	(3,716)	(4,846)
Other income (expenses):				
Revaluation of warrants	3,647	1,788	4,504	(85)
Gain (loss) on foreign currency	(1,151)	675	(210)	1,306
Revaluation of convertible loan	(425)	-	456	-
Finance costs	4	-	5	-
Net income (loss)	(10,509)	(12,226)	1,039	(3,625)
Other comprehensive loss:				
Amounts that will be classified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	745	335	184	(184)
Total comprehensive income (loss) for the period	(9,764)	(11,891)	1,223	(3,809)
Net loss per share attributable to equity holders of the Company (in Canadian dollars):				
Basic and diluted loss per common share	(0.09)	(0.11)	0.01	(0.03)
Weighted average number of shares outstanding – basic and diluted	113,621,318	107,365,348	115,069,081	112,600,220

The accompanying notes are an integral part of the interim consolidated financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**Canadian dollars in thousands, except share and per share data**

	Common Shares		Reserve	Reserve	Accumulated	Accumulated	Total
	Number	Amount	- warrants	- options	other comprehensive income (loss) *)	equity	equity
Balance as of January 1, 2022	104,196,220	54,917	676	3,302	(869)	(31,254)	26,772
Other comprehensive income	-	-	-	-	825	-	825
Net loss	-	-	-	-	-	(17,614)	(17,614)
Total comprehensive income (loss)	-	-	-	-	825	(17,614)	(16,789)
Issuance of public shares, net of issuance expenses	7,004,000	4,449	69	-	-	-	4,518
Issuance of shares upon warrants exercise	1,400,000	350	(350)	-	-	-	-
Share-based compensation	-	-	(176)	1,270	-	-	1,094
Balance as of December 31, 2022	<u>112,600,220</u>	<u>59,716</u>	<u>219</u>	<u>4,572</u>	<u>(44)</u>	<u>(48,868)</u>	<u>15,595</u>
Other comprehensive income	-	-	-	-	745	-	745
Net loss	-	-	-	-	-	(10,509)	(10,509)
Total comprehensive income (loss)	-	-	-	-	745	(10,509)	(9,764)
Issuance of public shares, net of issuance expenses	5,357,990	2,638	-	-	-	-	2,638
Issuance of shares upon options exercise	175,000	57	-	(12)	-	-	45
Share-based compensation	-	-	4	188	-	-	192
Balance as of September 30, 2023	<u>118,133,210</u>	<u>62,411</u>	<u>223</u>	<u>4,748</u>	<u>701</u>	<u>(59,377)</u>	<u>8,706</u>

*) Comprised of exchange differences on translation of foreign operations.

The accompanying notes are an integral part of the interim consolidated financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**Canadian dollars in thousands, except share and per share data**

	Common Shares		Reserve warrants	Reserve options	Accumulated other comprehensive loss *)	Accumulated deficit	Total shareholders' equity	
	Number	Amount						
Balance as of January 1, 2022	104,196,220	54,917	676	3,302	(869)	(31,254)	26,772	
Other comprehensive loss	-	-	-	-	335	-	335	
Net loss	-	-	-	-	-	(12,226)	(12,226)	
Total comprehensive loss	-	-	-	-	335	(12,226)	(11,891)	
Issuance of public shares, net of issuances	7,004,000	4,449	69	-	-	-	4,518	
Issuance of shares upon options exercise	1,400,000	350	(350)	-	-	-	-	
Share-based compensation	-	-	- (112)	906	1,115	-	794	1,118
Balance as of September 30, 2022	112,600,220	59,716	283	4,208	(537)	(43,480)	20,193	

*) Comprised of exchange differences on translation of foreign operations.

The accompanying notes are an integral part of the interim consolidated financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**Canadian dollars in thousands**

	Nine months ended September 30,	
	2023	2022
<u>Cash flows from operating activities:</u>		
Net loss	<u>(10,509)</u>	<u>(12,226)</u>
Adjustments to reconcile net loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Share based compensation	192	794
Financial expenses, net	24	53
Depreciation and amortization	392	392
Revaluation of convertible loans	425	-
Revaluation of share warrants	<u>(3,647)</u>	<u>(1,788)</u>
	<u>(2,614)</u>	<u>(549)</u>
Changes in asset and liability items:		
Increase in trade receivables	(198)	(747)
Decrease (increase) in other account receivables and prepaid expenses	277	(443)
Increase in inventories	(2,809)	(142)
Increase (decrease) in trade payables	(221)	37
Increase in other account payables	<u>(30)</u>	<u>(381)</u>
	<u>(2,981)</u>	<u>(1,676)</u>
Net cash used in operating activities	<u>(16,104)</u>	<u>(14,451)</u>

The accompanying notes are an integral part of the interim consolidated financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**Canadian dollars in thousands**

	Nine months ended September 30,	
	2023	2022
<u>Cash flows from investing activities:</u>		
Purchase of property and equipment	-	(123)
Collection of short-term deposit, net	753	(851)
Change in restricted cash, net	(50)	20
Net cash provided by (used in) investing activities	703	(954)
<u>Cash flows from financing activities:</u>		
Issue of Common shares and warrants, net of issue expenses	-	6,743
Proceeds received for increase in convertible loan and issuance of warrants	3,231	-
Lease payment	(315)	(315)
Cash received for exercise of warrants	-	(*)
Cash received for exercise of share options	45	-
Net cash provided by financing activities	2,961	6,428
Exchange rate differences on balances of cash and cash equivalents	917	141
Decrease in cash and cash equivalents	(11,523)	(8,836)
Cash and cash equivalents at the beginning of the period	14,564	23,047
Cash and cash equivalents at the end of the period	3,041	14,211
<u>Non-cash financing transaction</u>		
Issuance of share capital upon conversion of convertible loan	2,638	-

*) Represent an amount lower than \$1.

The accompanying notes are an integral part of the interim consolidated financial statements.

Canadian dollars in thousands, except share and per share data

NOTE 1: GENERAL

- a. Else Nutrition Holdings Inc. (the “Company” or “Else”) was incorporated under the Business Corporations Act of British Columbia on July 18, 2011.
- b. On June 12, 2019, the Company completed a reverse take-over transaction with Else Nutrition GH Ltd. (“Else GH”) by way of a share exchange, (the “Transaction” or “RTO”). Upon the completion of the Transaction, the Company changed its name from ASB Capital Inc. to Else Nutrition Holdings Inc. In connection with the Transaction, Else GH became a wholly owned subsidiary of the Company.

Prior to the Transaction, the Company was classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (the “Exchange”) Policy 2.4 with its shares listed on the NEX trading board of the Exchange. Upon completion of the Transaction, the Company’s shares began trading on the Exchange as a Tier 2 ‘Technology’ company on June 18, 2019 under the trading symbol “BABY.V”. The Transaction represented the qualifying transaction of the Company under the policies of the Exchange. On January 25, 2022 the Company’s common shares and warrants commenced trading on the TSX under the trading symbols of “BABY”. In connection with the TSX listing, the Company’s common shares and warrants were concurrently delisted from the TSX-V.

Effective December 10, 2019, the Company’s common shares were listed for trading on the OTCQB International Market under the trading symbol ‘BABYF’. The OTCQB International Market is a venture market operated by the OTC Markets Group and designed for early-stage and developing U.S. and international companies. The Company upgraded its OTCQB listing to the OTCQX® Best Market as of July 24, 2020.

On June 12, 2020, the Company’s common shares were also accepted for listing on the Frankfurt Stock Exchange (FSE) under the trading symbol ‘0YL’.

- c. The Company focuses on research, development, manufacturing, marketing and sale of innovative plant-based food and nutrition products and feeding accessories products to infant, toddler and children's markets.

The head office is located at 4 Raul Wallenberg Street, Tel Aviv, Israel 6971904. The registered office of the Company is located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

- d. On January 23, 2020 the Company established a wholly owned subsidiary in the U.S., Else Nutrition USA, Inc., which is primarily engaged manufacturing, sales and marketing. The office is located at Suite 200 – 0501 W. Schrock Road, Westerville, OH 43081, USA.
- e. On February 11, 2021, the Company filed and received a receipt for a preliminary base shelf prospectus with the securities commissions in each of the provinces of Canada excluding Quebec. The Company filed a final base shelf prospectus on April 20, 2021 and received a final receipt, therefore. The final base shelf prospectus qualifies distribution up to \$75,000 in any combination of common shares, warrants and units of the Company in one or more transactions within a 25-month period from the effective date of the Short Form Prospectus. The specific terms of any offering under the base shelf prospectus will be established in a prospectus supplement, which will be filed with the applicable Canadian securities' regulatory authorities in connection with any such offering. On October 2021, the Company utilized \$17,308 out of the \$75,000. On May 20, 2023, the base shelf prospectus expired.

NOTE 1: GENERAL (Cont.)

- f. On January 25, 2022 the Company established a wholly owned subsidiary in Canada, Else Nutrition Canada, Inc., which is primarily engaged in sales and marketing. The registered office of the Company is located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.
- g. On December 7, 2022 the Company established a wholly owned subsidiary in Australia, Else Nutrition Australia PTY Ltd., which is primarily engaged in sales and marketing. The registered office of the Company is located at Level 6, 140 William Street, Melbourne VIC 3000.
- h. On December 19, 2022, the Company signed a convertible loan agreement with Lind Global Found II LP (Lind) in the amount of up to US \$13,750 thousand (approximately \$18,700). The convertible loan bears an annual interest of 10% with a maturity of 36 months.

On December 22, 2022 the Company received the Initial Convertible loan in the amount of US\$4,250 thousand (approximately \$5,780). The Initial Convertible Security will have a 36-month maturity date and will be convertible into Common shares of the Company after completion of a 120 day lock-up period. Lind will be able to convert 1/20th of the face value (principal and accrued interest) each month at a conversion price equal to 85% of the five-day volume weighted average price of the Common shares immediately prior to each conversion, subject to a right to increase conversions in certain circumstances, all in accordance with the loan schedule.

The outstanding principal amount of the Initial Convertible Security, after 180 days, may be repaid in cash at the discretion of the Company, with a 5% premium (the “Buy-Back Right”). Should the Company exercise its Buy-Back Right, Lind would have the option to convert up to 33% of the face value of the Initial Convertible Security into Common shares.

Following the Initial Convertible Security issuance, the Company would have the right to draw a further US\$1,250 thousand (which may be increased to US\$3,000 thousand upon mutual agreement) (the “Second Draw”), subject to the terms of the formal agreements, and thereafter an optional follow-on investment of up to US\$6,500 thousand, (the “Third Draw”), upon mutual agreement, in exchange for the issuance of additional convertible notes. The Initial Convertible Security, and each of the additional convertible notes, if applicable, will include detached warrants (the “Warrants”) to purchase Common Shares.

On July 10, 2023 the Company elected to exercise its right to increase the face value of its convertible security by US\$3,000 thousand under its previously announced convertible security funding agreement with Lind (Second Draw), for additional proceeds of US\$2,500 thousand (approximately \$3,231). As a result of the exercise of the increase right, the total face value (principal and accrued interest) of the convertible security was increased from US\$4,590 thousand to US\$7,590 thousand.

The convertible loan is accounted at fair value through profit and loss. During the three and nine months ended September 30, 2023, the Company recorded financial income (expenses) in the amounts of \$456 and \$(425), respectively, for the revaluation of the convertible loan. The convertible loan with a fair value of \$2,388 as of September 30, 2023, and \$2,807 as of December 31, 2022, are classified as level 3.

Canadian dollars in thousands, except share and per share data

NOTE 1: GENERAL (Cont.)

The following table lists the inputs to the Monte Carlo Simulation model used for the fair value measurement of the above convertible loan (unaudited):

	<u>September 30, 2023</u>
Dividend yield (%)	-
Expected volatility of the share prices (%)	88.96
Risk-free interest rate (%)	4.55
Expected life of share warrants(years)	3.77
Share price (\$)	0.315

In connection with the Initial Convertible Security, the Company issued 8,247,129 Warrants at an exercise price of \$1.15 per share for a period of four years from the date of issuance. As the exercise price of the warrants is denominated in Canadian dollars with the functional currency of the Company is the NIS the warrants are presented at fair value through profit or loss using the Black & Scholes option pricing model. On the date of the grant, the Company recorded a liability with respect to the Warrant grant in the amount of \$ 2,474.

In connection with the Second Draw of the Convertible Security, on July 7, 2023, the Company issued 3,591,776 Warrants at an exercise price of \$0.9058 per share for a period of four years from the date of issuance. As the exercise price of the warrants is denominated in Canadian dollars with the functional currency of the Company is the NIS the warrants are presented at fair value through profit or loss using the Black & Scholes option pricing model. On the date of the grant, the Company recorded a liability with respect to the Warrant grant in the amount of \$ 1,437.

The number of Warrants issued on the Third Draw will be calculated on 75% of the amount of the draw divided by the volume weighted average price per share during the twenty (20) consecutive trading days immediately before the closing date of the Third Draw. The exercise price of Warrants issued on the Third Draw will be equal to the greater of: (i) the volume weighted average price per share (in Canadian dollars) for the five (5) consecutive trading days immediately before the date of the Third Draw closing as applicable, and (ii) 130% of the volume weighted average price per share (in Canadian dollars) for the twenty (20) consecutive trading days immediately before the date of the Third Draw closing as applicable.

The signed agreement includes an event of Cash Balance default if the aggregate of the Company's net cash falls below \$3,000 at any time.

For issuance of share capital upon conversion refer to Note 3b.

- i. These interim condensed consolidated financial statements have been prepared on a going concern basis, which contemplates that the Group will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. To date, the Group has not achieved scalable commercialization of its products. As of September 30, 2023, the Group has an accumulated deficit of \$59,377. For the nine months ended September 30, 2023, the Group incurred a total comprehensive loss of \$9,764 and had negative cash flow from operations of \$16,104. The Group's ability to continue as a going concern is dependent upon its ability

Canadian dollars in thousands, except share and per share data

NOTE 1: GENERAL (Cont.)

to generate product sales, negotiate collaboration agreements with upfront and/or continuing payments, obtain research grants, raise additional financing, and ultimately attain and maintain profitable operations. While the Group is striving to act on these initiatives, there is no assurance that these and other strategies will be successful or sufficient to permit the Group to continue as a going concern.

The above circumstances indicate that a material uncertainty exists that may cast significant doubt as to the Group's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments to the carrying values of the Group's assets and liabilities, revenue and expenses, and the statement of financial position classifications used, that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

j. Israel – Hamas attack

A significant portion of Company's operations and management is based in Israel. On October 7, 2023, Hamas launched an unprecedented attack on Israel, following which the Security Cabinet of the State of Israel approved a war situation.

As of the date of issuance of the interim condensed consolidated financial statements, there has been no interruption or adverse impact on the Company's business activities resulting from the war. The Company maintains a comprehensive business continuity plan and has taken the necessary steps in line with such plan, in an effort to ensure that operations and service to customers remains consistent. It is not possible to predict the magnitude of any potential adverse results of the continuation of the war and its effect on the Company's business at this time.

- k. On November 10, 2023, the Company filed a final base shelf prospectus and received a final receipt. The final base shelf prospectus qualifies distribution up to \$75,000 in any combination of common shares, warrants, and units of the Company in one or more transactions within a 25-month period from the effective date of the Short Form Prospectus. The specific terms of any offering under the base shelf prospectus will be established in a prospectus supplement, which will be filed with the applicable Canadian securities regulatory authorities in connection with any such offering.

l. Definitions:

In these financial statements:

Related parties - As defined in IAS 24.

Subsidiaries - Companies that are controlled by the Company (as defined in IFRS 10) and whose accounts are consolidated with those of the Company.

Group - The Company and its subsidiaries

Canadian dollars in thousands, except share and per share data

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements.

Basis of presentation of the financial statements:

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted.

NOTE 3: EQUITY

a. Stock Options:

During the nine months ended September 30, 2023, 175,000 of the stock options were exercised, where each option was exercised for one Common share of the Company at an exercise price of \$0.25 per option.

b. Issuance of share capital:

On May 1, 2023, the Company issued 547,004 common shares to Lind Global Fund II LP, as the first payment of the convertible loan according to the loan schedule including accrued interest. The number of common shares represents an amount of \$399 (US\$255 thousand).

On June 26, 2023, the Company issued 566,361 common shares to Lind Global Fund II LP, as the second payment of the convertible loan according to the loan schedule including accrued interest. The number of common shares represents an amount of \$385 (US\$255 thousand).

On July 28, 2023, the Company issued 896,894 common shares to Lind Global Fund II LP, as the third payment of the convertible loan according to the loan schedule including accrued interest. The number of common shares represents an amount of \$601 (US\$405 thousand).

On August 28, 2023, the Company issued 1,421,739 common shares to Lind Global Fund II LP, as the fourth payment of the convertible loan according to the loan schedule including accrued interest. The number of common shares represents an amount of \$647 (US\$405 thousand).

On September 29, 2023, the Company issued 1,925,992 common shares to Lind Global Fund II LP, as the fifth payment of the convertible loan according to the loan schedule including accrued interest. The number of common shares represents an amount of \$606 (US\$405 thousand).

c. Share Warrants:

On July 7, 2023, the Company granted 3,591,776 Warrants as finders fee for convertible loan agreement. The Warrant entitles the holder to acquire one Common Share of the Company at nominal consideration of \$0.9058 per share for a period of four years following the date of grant. As of September 30, 2023 an aggregate of 3,591,776 Warrants have vested and are outstanding.

ELSE NUTRITION HOLDINGS INC

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Canadian dollars in thousands, except share and per share data

NOTE 3: EQUITY (Cont.)

During the nine months ended September 30, 2023, and 2022, the Company recorded other income (expenses) in the amounts of (\$105) and \$1,873, respectively, for the revaluation of liability warrants from the October 2021 public offering. The public warrants with a fair value of \$342 as of September 30, 2023, and \$237 as of December 31, 2022, are classified as level 1.

During the nine months ended September 30, 2023, and 2022, the Company recorded other income in the amounts of \$1,003 and \$865, respectively, for the revaluation of liability warrants from the June 2022 public offering. The public warrants with a fair value of \$357 as of September 30, 2023, and \$1,360 as of December 31, 2022, are classified as level 1.

During the nine months ended September 30, 2023, the Company recorded other income in the amount of \$1,814 for the revaluation of liability Warrants from the December 2022 convertible loan. The Warrants with a fair value of \$660 as of September 30, 2023, and \$2,474 as of December 31, 2022, are classified as level 3.

During the nine months ended September 30, 2023, the Company recorded other income in the amount of \$934 for the revaluation of liability Warrants from the July 2023 convertible loan. The Warrants with a fair value of \$503 as of September 30, 2023, are classified as level 3.

The following table lists the inputs to the Black-Scholes option pricing model used for the fair value measurement of the above warrants that are not publicly traded (unaudited):

	<u>September 30, 2023</u>
Dividend yield (%)	-
Expected volatility of the share prices (%)	61.9 – 88.6
Risk-free interest rate (%)	3.27-4.75
Expected life of share warrants (years)	3.83-3.5
Share price (\$)	0.315

NOTE 4:- ADDITIONAL INFORMATION TO PROFIT OR LOSS ITEMS

Additional information on revenues:

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>Unaudited</u>			
Revenue from formula	6,260	5,319	1,463	1,990
Revenue from dried food snacks	307	348	121	128
Revenue from feeding accessories	432	468	129	108
	<u>6,999</u>	<u>6,135</u>	<u>1,713</u>	<u>2,226</u>

Canadian dollars in thousands, except share and per share data

NOTE 5: - OPERATING SEGMENTS

The operating segments are identified on the basis of information that is reviewed by the chief operating decision maker ("CODM") to make decisions about resources to be allocated and assess its performance. Accordingly, for management purposes, the Company has one operating segment.

NOTE 6: SUBSEQUENT EVENT

On November 7, 2023, the Company issued 2,615,963 common shares to Lind Global Fund II LP, as the third payment of the convertible loan according to the loan schedule. The number of common shares represents an amount US\$405 thousand.

On November 13, 2023, the Company entered into a multi-stage collaboration letter of intent with Danone S.A., a worldwide leading company specializing in fresh dairy products, plant-based, water, and specialized nutrition. At the first stage of the collaboration, Else and Danone will enter into a License Agreement in Europe whereby Else's products, which are plant-based, soy-free, and supported by clinical evidence, shall be included in Danone's specialized nutrition portfolio and manufactured, marketed, and commercialized by Danone. In addition to the first stage, the parties shall negotiate other opportunities beyond product commercialization.