ELEMENT NUTRITIONAL SCIENCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For Years ended December 31, 2021 and 2020

(Expressed in Canadian Dollars, unless indicated otherwise)

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Element Nutritional Sciences Inc. (the "Company") for the years ended December 31, 2021 and 2020 and should be read in conjunction with the Company's audited consolidated financial statements and the accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

The information contained within this MD&A is current to May 2, 2022.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Forward- looking Statements

This MD&A, including any information incorporated by reference, 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 nutrition and dietary supplement market, nutritional drinks market, adult nutritional food and drinks 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 markets across different jurisdictions;
- manufacturing and distribution partnerships and agreements;
- plans to identify, pursue, negotiate and/or complete strategic acquisitions;
- marketing plans and strategic advertising results;
- the timing and possible outcome of regulatory and legislative matters, including, without limitation, the Food and Drug Administration ("FDA"), Health Canada and other regulatory approval processes;
- future plans, objectives or economic performance, or the assumption underlying any of the foregoing; and
- other expectations of the Company.

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: risks posed by the economic and political environments in which the Company operates and intends to operate; market instability due to the COVID-19 pandemic; 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.

Description of Business

The Company holds all of the issued and outstanding equity securities of Element Nutrition Inc. ("Element"). The business of Element Nutrition is the business of the Company. Element Nutrition was founded and incorporated on July 11, 2014, and is an innovative and research-driven Canadian nutraceutical company specializing in the development of science-based products for the global consumer packaged goods market, with a portfolio focused specifically on men and women over the age of 50. Element Nutrition's lead product, Rejuvenate, is a proprietary formulation that is clinically proven to assist in the rebuilding, restoration and rejuvenation of natural loss of muscle mass due to aging or other medical conditions. Element Nutrition also offers JAKTRX, an elite brand of performance supplements, through its subsidiary JAKTRX Inc. ("JAKTRX").

The initial product offerings consisted of protein-based powdered products sold under the brand name Boomer Nutrition, which were formulated based on published independent research studies and approved by Health Canada. More recently, the Company has principally been focused on the development and commercialization of a formulation of nine amino acids under the brand name Rejuvenate. Rejuvenate is a proprietary, patented formulation that has clinically proven efficacy in helping prevent muscle loss due to Sarcopenia (muscle loss due to aging). The major portion of sales within the adult nutrition market is in the single serve ready to drink beverage segment. The Company is currently in the process of enhancing its portfolio and commercializing more of its products.

JAKTRX Brand

In March of 2018, Element Nutrition acquired the JAKTRX product line of protein powders and other nutritional supplements targeting the sports nutrition market. The North American sports nutrition market is valued at $17 billion and is forecast to be $31 billion by 2027 (*Grand View Research, Sports Nutrition Market Size, Share & Trends Analysis Report Feb 2020*). This represents a significant growth opportunity for Element Nutrition. Additionally, the patented method of administering a formulation of essential amino acids can be incorporated into new product offerings within the JAKTRX brand. JAKTRX is a brand designed and developed for the CrossFit consumer. The JAKTRX brand is made up of a line of protein powders and other nutritional supplements. The products were sold through e-commerce on the JAKTRX website and direct to consumers through CrossFit gyms. However, due to the declining popularity of CrossFit, and in order to expand the brand to more consumers encompassing all sports, a strategy is being executed to change the branding and marketing so as to appeal to the entire sports nutrition consumer and take advantage of the projected growth in the North American sports nutrition market. This change is expected to increase the size of the product's target market and help improve sales.

Rejuvenate Brand

Element Nutrition subsequently acquired rights to a unique patent of administering a formula of essential amino acids (key building blocks of protein) developed at the Geriatric Center at the University of Arkansas. Exclusive patent rights in respect of the 'Adult Nutrition' channel of trade, and non-exclusive rights in respect of the 'Sports Nutrition' channel of trade were sublicensed by the Company pursuant to an amended and restated sublicense agreement between the Company's wholly owned subsidiary Element Nutrition Inc. and Eight IP LLC dated October 27, 2020, available under the Company's profile at www.sedar.com. The sublicense agreement was subsequently supplemented to include exclusivity in respect of the 'Sports Nutrition' channel of trade (see the Company's press release of February 8, 2022 for more details). Due to this and the wide range of applications Element Nutrition moved forward with developing a new brand line called Rejuvenate for the purpose of commercializing the acquired intellectual property.

Element Nutrition has principally been focused on the development and commercialization of its Rejuvenate brand. Rejuvenate is a muscle health product designed to help slow and/or prevent muscle loss due to aging (Sarcopenia). The Rejuvenate formulation has been developed extensively through over 17 years of clinical research, driven principally by the Geriatric Centre at the University of Arkansas, funded by dozens of research grants which focused on a wide variety of development and experimentation research focused on the effects of the administration of key amino acid formulations on muscle growth and regeneration, which research has been the subject of a substantial volume of peer-reviewed clinical study. Based on the potential of the formula in delivering a clinically proven nutritional intervention for muscle loss, Rejuvenate is now Element Nutrition's flag ship brand. Since this new technology made the initial Boomer Nutrition formulations obsolete, Element Nutrition has transitioned out of the Boomer Nutrition brand.

The first product developed under the Rejuvenate brand was the Rejuvenate Sachet Product, a single serve powdered product initially sold in a carton holding 30 single serve pouches delivering 3.6 grams of the essential amino acid formula. Each pouch is mixed with 8-10 ounces of water and consumed 1-2 times per day. Element Nutrition began commercialization of this brand in April of 2019. Initial sales were through e-commerce on Element Nutrition's websites in the US and Canada and also on Amazon.ca and Amazon.com. Retail sales commenced in the second half of the year at 6,000 CVS retail stores and 2,838 Walmart stores in the United States. Total sales for Rejuvenate for 2019 were $1,402,663. It can generally take 24 months or more to get a product into significant distribution. However, due to what Element Nutrition believes is the product's innovative value proposition, it was able to get retail acceptance at an early stage. Element Nutrition's goal is to continue to build sales and distribution throughout the United States by adding additional retailers and increasing consumer brand awareness through its marketing efforts.

In 2020, the brand started selling at Canadian retailers. The Rejuvenate Sachet Products have received an NPN (as defined below) and went on sale at Rexall Drug stores in Q2 of 2020. It is now also available at select Shoppers Drug Mart stores and was made available at Loblaws stores in October of 2020. Element Nutrition is currently in discussions with multiple retailers in North America to increase its distribution of the Rejuvenate Sachet Products.

Throughout 2020, Element Nutrition developed its Rejuvenate RTD (Ready-To-Drink) Products in order to expand its brand line by offering single-serve beverage products. This is a growth opportunity for Element Nutrition. Element Nutrition believes that the Rejuvenate RTD Products will bring added variety and give consumers an alternate choice to what has traditionally been offered. Initial production of the Rejuvenate RTD Products began in November 2020, and Element Nutrition commenced sales of the Rejuvenate RTD Products on its e-commerce platform in February of 2021. On March 24, 2021, Element Nutrition began shipping Rejuvenate RTD Products to Food Lion stores in the United States. Food Lion is a grocery chain with 1,000 stores in the mid-Atlantic and South Eastern United States. Rejuvenate RTD Products were accepted by Walgreens and launched in 8,438 stores from coast-to-coast in the United States in the middle of June of 2021. In December of 2021 the Rejuvenate RTD Products were accepted by Sam's Club, the big box division of Walmart, and the Company has begun the process of shipping Rejuvenate RTD Products to 589 Sam's Club retail locations throughout the United States.

The Company has also developed additional product variations under the Rejuvenate brand to expand on the success of the Rejuvenate Sachets, including Rejuvenate Omega (formulated with essential fatty acids) and Rejuvenate Immune (formulated with Vitamin C, Vitamin D and zinc to help support immune function).

Regulatory Environment

The United States and Canada have separate regulatory environments applicable to the sale of the Company's products. In the United States, the sale of nutritional and dietary supplements is governed by the Food and Drug Administration (the "**FDA**"). All of the Company's products sold in the United States (including products sold to consumers in the United States through the Company's website and through third-party platforms) are compliant with FDA regulations. The guidelines for the sale of supplements in the United States are set out in the *Dietary Supplement Health and Education Act* (the "**DSHEA**"). There is no current process of approval for the sale of nutritional products or any dietary supplements. It is the responsibility of the Company and the manufacturers of its products to ensure that products manufactured and sold are compliant with DSHEA. All of the Company's products are reviewed for compliance with DSHEA by (i) its regulatory consultants and (ii) by the regulatory departments of its United States based contract manufacturers.

The Natural and Non-prescription Health Product Directorate (the "NNHPD"), formerly the Natural Health Product Directorate, is a division of Health Canada responsible for approving natural health products and dietary supplements for sale in Canada, including vitamins, minerals, fish oils, meal replacements and general nutritional products such as protein powders. Depending on the delivery form and formulation of a product (e.g. powder, pill, capsule, bar, etc.), it may be necessary to get approval of the NNHPD before a product can be sold in Canada. Once a product has been approved by Health Canada it receives a Natural Health Product Number ("NPN") and can then be sold in the Canadian market. All of the Company's products that are currently sold in Canada (which currently excludes Rejuvenate RTD but includes all other products sold to consumers in Canada through the Company's website and through third-party platforms) that require an NPN have received an NPN. In addition, food products that do not meet one or more of the compositional, packaging, labelling or advertising requirements under the Food and Drugs Act (Canada) require a temporary marketing authorization letter ("TMAL"), issued by Health Canada, to authorize the sale of such products. A TMAL is required to prompt a regulatory amendment from Health Canada. Products that require such an authorization include foods and beverages supplemented or fortified with vitamins, minerals or other bioactive ingredients. The organic plant protein formulation of the Rejuvenate RTD beverage is fortified using the Company's patented method of administering a formulation of essential amino acids, and the Company is therefore required to file for approval from Health Canada and obtain a TMAL prior to selling this beverage. In addition, due to the different regulatory requirements in Canada and the United States, a specific formula for the Rejuvenate RTD beverages must be developed for the Canadian market due to the inclusion of certain novel natural sweeteners that are still undergoing review by Health Canada.

All Rejuvenate products currently for sale and in development contain the Company's patented amino acid formulation. The Company received an NPN from the NNHPD for the Rejuvenate Immune products in Q1 2022 and the Rejuvenate Omega products in Q3 2020. The Company received a TMAL from Health Canada in March 2022 for the Rejuvenate RTD beverage and does not require an NPN to bring the product to market.

Rejuvenate Sachets are currently sold in Canada and the United States. Rejuvenate RTD beverages are currently only sold in the United States. Rejuvenate Immune and Rejuvenate Omega have not yet been brought to market in Canada or the United States. The Company presently anticipates that Rejuvenate Immune will be brought to market in 2022. At this time the Company does not intend to bring the Rejuvenate Omega product to market in Canada, as the Company is choosing to instead focus on more profitable products, such as the Rejuvenate Sachets, Rejuvenate RTD beverages and the JAKTRX product line.

Commercialization

Element is currently a vendor of record with Walgreens, CVS, Walmart, Publix, SAM's Club and Meijer in the United States. This represents a total of 25,463 potential points of distribution in the United States. Element becomes a vendor of record once it has completed all the internal paper work with the retailer necessary to set up a product in the retailers system so that the retailer can issue purchase orders for the product. For most retailers there is a vendor agreement that outlines the agreed upon guidelines for conducting business together. This agreement includes but is not limited to, pricing, delivery, payment terms, damage allowance and return policies. Element has entered into a Brokerage

Agreement with Advantage Solutions to lead Element's sales expansion in the US. Advantage Solutions is a market leader in sales and brand development operating in 40 countries globally.

Element is currently a vendor of record in Canada with Loblaws, Shoppers Drug Mart, Longo's and Rexall. This represents a total of 3,700 potential points of distribution. Brewin and Associates is Element's broker in Canada.

Element currently has a distribution and sales agreement with Natural Made Company Ltd in South Korea. This agreement was entered into in October of 2019. All product is purchased directly from Element and shipped to the distributor. All purchases are paid up front in US dollars prior to shipping. There are no other current planned distributions outside of Canada and the US. As Element grows and opportunity presents itself, Element may enter in to similar agreements in other foreign markets.

Marketing and Branding

In January 2020, Element engaged DEG Productions in the United States to develop and produce content for social media, digital media and direct to consumer marketing. Completion of this was delayed due to the COVID-19 pandemic. In October 2020, they completed the production and the program is moving forward.

In August 2020, Element signed Denise Austin as a brand ambassador for the Rejuvenate brand. Denise has over 450,000 followers and is one of the most influential social media celebrities for women 45-65 years old in the United States for fitness and nutrition.

In September 2020, Element engaged Lockard and Wechsler, a national full service media agency in the United States. Lockard and Wechsler specialize in direct to consumer marketing. They are executing a nationwide direct to consumer marketing campaign in the United States.

In October 2020, we tested a national TV advertising campaign with Lockard and Wechsler for a period of 4 weeks. A significant increase in sales at CVS and on-line was realized. At the same time, we tested digital advertising primarily on Facebook and Instagram.

Beginning in May 2021, the Company has begun a national TV advertising campaign both in the United States and Canada. In addition, we have stepped up our digital marketing budget in both countries.

During Q2 and Q3 2021, the Company evaluated an influencer marketing campaign which commenced in September 2021 with a company called The Shelf. Concurrently, there are a few retired professional athletes in our target market that under consideration for prospective spokespeople in future advertising and digital media.

Additional digital advertising campaigns are being conducted directly with major retailers including Sam's, Walgreens, CVS, I-Herb and Amazon.

In October 2021, Rejuvenate products became available at all 36 Longo's grocery store locations in Ontario. The Company also expanded distribution of Rejuvenate products into all 23 Fortino supermarket locations in Ontario.

In November 2021 the Company appointed Vito Sanzone as Chief Marketing Officer, a non-executive officer position.

In January 2022, the Company started shipping to 589 Sam's Club locations across the United States.

In January 2022, the Company received a notice of allowance from the United States Patent and Trademark Office for claims relating to the method of administering the Rejuvenate formulation, which will allow the Company to apply under the Patent Cooperation Treaty for protection of the Company's claims in foreign markets.

On February 3, 2022, the Company entered into a reseller agreement with Pattern Inc., pursuant to which Pattern Inc. will act as the exclusive reseller for the Company's products on Amazon.com for an initial term of two years.

In February 2022 the Company acquired exclusive rights to use the patented amino acid formulation in the American sports nutrition market.

On March 2, 2022, the Company secured automatic warehouse replenishment with Sam's Club for its Rejuvenate ready-to-drink plant protein beverage.

On March 15, 2022, the United States Patent and Trademark Office issued a global patent co-operation treaty (PCT) patent # WO2019/090061 in respect of the Company's licensed patent for "the amino acid composition for stimulating muscle protein synthesis", extending protection beyond the United States into foreign markets including, but not limited to, Canada, the European Union and the Asia Pacific countries.

On April 15th, 2022 the Company starting sell the Rejuvenate RTD in all 1297 Publix grocery stores in the United States.

Manufacturing, Supply and Production

All production is contracted to independent contractors. Element currently utilizes three independent contract manufacturers to produce all products sold in North America. There is a large number of contract manufacturers in the US and Canada that have the capabilities to produce the Rejuvenate powder beverage. Element has secondary suppliers so that it is not reliant on one manufacturer. Element enters into quality agreements with all manufactures to ensure the high quality of the products is maintained. Element's current principal manufacturer for its plant-based beverage has just completed a full expansion and increased its production capacity. Accordingly, there is significant line time currently available for the production of the Rejuvenate plant based beverage A secondary manufacturer for this product is being brought on board so that Element is not relying on just one manufacturer for the plant based beverage. Element's raw material supply chain is managed internally by its operations team in conjunction with its manufacturers. Real time inventory controls allow Element to forecast the need for raw materials and finished goods. The current situation surrounding the COVID-19 pandemic has had no material effect on Element's supply chain. Besides the quality control agreements, Element does not enter into manufacturing agreements with its contract manufacturers. This is done to provide Element with the flexibility to be able to move manufacturing as needed to other manufacturers for the benefit of the business and maintaining supply. If Element entered into agreements with manufacturers, it would limit options on supply should the manufacturer have any production issues. Therefore, if the manufacturer had a production issue or supply issue Element would have no other manufacturer to acquire supply from. Element would then be at risk for out of stocks and not being able to meet demand. This structure is used for all brands and products. Also, by not signing exclusive manufacturing agreements it gives Element the ability to negotiate pricing on a consistent basis as business increases. Element also supplies the manufacturers with forecasts which ensures consistent pricing on raw materials and creates the opportunity to lower the cost of goods on a consistent basis. This model ensures that Element has a predicable supply of all products it sells.

Hammock Pharmaceuticals, Inc.

Hammock Pharmaceuticals was incorporated under the state of Delaware on January 26, 2016. Its focus is the marketing, selling and distribution of specialty healthcare products into the North American marketplace. Hammock Pharmaceuticals' main office is at 11922 General Drive, Unit C, Charlotte, North Carolina, 28273.

Hammock's prior focus was to build a prescription-based company focused on women's health and urology. In January 2017, Hammock executed a licensing agreement with MilanaPharm, LLC providing Hammock exclusive North American rights to MilanaPharma's TRI-101 hydrogel technology ("TRI-101"). Hammock continued to develop the technology throughout 2017. However, due to prescription pricing pressure, management made a decision to redirect its focus to the consumer health product segment.

On December 5, 2019, Hammock assigned and transferred to the Daré Biosciences, Inc ("Daré") all of its right, title and interest in and to the MilanaPharm license agreement and agreed to transfer to Daré all of the data, materials and the licensed technology in its possession pursuant to a technology transfer plan as agreed upon by the parties.

Upon execution of the assignment agreement, Hammock received $250,000 from Daré, with additional payments of $125,000 paid December 5, 2019, and $137,500 paid on January 31, 2020. On July 13, 2020 Hammock received an additional $100,000 from Daré upon the first patient dosing within its Phase 3 clinical trial in bacterial vaginosis ("**BV**"). Additional milestone payments are due to Hammock within fifteen (15) days of the following achievements related to certain clinical and regulatory development milestones: i) $250,000 upon submission of a New Drug Application ("**NDA**") to the US Food and Drug Administration ("FDA") for BV; ii) $500,000 upon NDA approval by the FDA for BV; and $250,000 after NDA approval by the FDA for a total of one additional indication for any intravaginal and/or urology indication other than BV. Both additional milestones were achieved and the payments were received.

Subsequent to the acquisition date of August 31, 2020 by the Company, a distribution agreement and license for distributing the Athlete's Gel product in the United States and Canada was not renewed by management due to certain decisions to refocus the Element group on operations that generate positive margins and cash flows. While management had the view of eventually restructuring Hammock operations to be accretive to the group when entering into the Hammock Merger Agreement, it was later determined that the investment required could not provide the returns management had planned pre-merger. As a result, those plans were abandoned and the distribution license was allowed to lapse and as such, both parties signed a mutual release on December 3, 2020. The parties to the mutual release were Athletes Gel PTY Limited, Hammock Pharmaceuticals Inc and it also included Element Nutritional Sciences Ltd.

Intellectual Property

A vital part of Element's business strategy is to protect its products and technologies through the use of patents, proprietary technologies and trademarks, to the extent available. Success will depend, in part, upon the ability to obtain and enforce strong patents, to maintain trade secret protection and to operate without infringing the proprietary rights of others. The most important intellectual property for Element is the brand name for its Rejuvenate products. The Rejuvenate patented formulation (US Patent 9,364,463) of essential amino acids developed from the University of Arkansas is utilized in both the Rejuvenate Sachet Products and Rejuvenate RTD Products. Element holds exclusive global rights to this formulation. The Company also has exclusive rights in the North American sports nutrition market. The United States Patent and Trademark Office issued a global patent co-operation treaty (PCT) patent (WO2019/090061) in respect of the Company's licensed patent for "the amino acid composition for stimulating muscle protein synthesis", extending protection beyond the United States into foreign markets including, but not limited to, Canada, the European Union and the Asia Pacific countries.

The brand has growing customer acceptance, brand loyalty and brand equity. The increased brand equity allows Element to further expand into other retail categories (grocery, vitamins, food supplements etc.) and health conditions (heart health bone health etc.). Increased brand equity and innovation within the brand creates brand longevity. This strategy allows the brand to remain in the market for many decades. Patents eventually expire but brand equity and consumer loyalty does not. The initial Rejuvenate formula has two US patents filed. Additionally, Element has partnered with an independent research firm to conduct further research that may result in more patent filing opportunities. Element has trademarks filed for its Rejuvenate and JAKTRX brands in both the United States and Canada. Additionally, trademark applications are filed for both the word mark and design mark for "Rejuvenate Muscle Health" in the United States and Canada. Element will continue to look for opportunity to protect and solidify its intellectual property and concurrently its market advantage with patents and trademarks where ever possible.

Selected Financial Information
(For the years ended December 31, 2021 and 2020)

The following tables show selected financial information for the year ended December 31, 2021 compared to the year ended December 31, 2020. The selected financial information set out below may not be indicative of the Company's future performance. The information contained in each table should be read in conjunction with the Company's Consolidated Financial Statements and related notes.

Summary Information (expressed in thousands of Canadian dollars)	Audited	
	For the year ended, December 31,	For the year ended December 31,
	2021	**2020**
	$	$
Revenue	2,357	979
Net loss	(8,780)	(7,716)
Total current assets	4,919	1,133
Total non-current assets	77	168
Total current liabilities	3,664	3,701
Total non-current liabilities	29	104
Total shareholders' equity (deficiency)	1,304	(2,505)

Results of Operations (expressed in thousands of Canadian dollars)

The Company recorded a net loss of $8,779 for the year ended December 31, 2021 compared to a net loss of $7,716 for the year ended December 31, 2020.

The table below provides a more detailed break-down of the Company's financial results for the period December 31, 2021 compared to the year ended December 31, 2020:

	For the year ended, December 31,	**For the year ended, December 31,**
	(audited)	(audited)
	2021	**2020**
(expressed in thousands of Canadian dollars)	$	$
Revenue	2,357	979
Cost of sales	2,182	817
	175	**162**
Operating Expenses		
Salaries and wages	2,468	1,168
Advertising and marketing	3,674	1,144
General and administrative	809	368
Depreciation	82	149
Professional fees	3,191	1,041
Product development	16	42
Impairment of intangible asset	-	2,181
Total operating expenses	**10,240**	**6,093**
Loss before other income (expenses)	**(10,065)**	**(5,931)**
Other Income (Loss) and (expenses):		
RTO Transaction	-	(1,727)
Foreign exchange gain (loss)	81	(18)
Bank charges and Interest	(52)	(53)
Other Income	1,257	13
Net Loss	**(8,779)**	**(7,716)**

Revenue

(expressed in thousands of dollars)

	For the year ended December 31,		For the year ended December 31,		For the year ended December 31,	
	2019		2020		2021	
Brand	Gross Sales	%	Gross Sales	%	Gross Sales	%
Rejuvenate	$1,403	83.80%	$954	97.38%	$2,377	100.90%
JAKTRX	$336	20.10%	$244	24.96%	$152	6.50%
BOOMER	$39	2.30%	$27	2.77%	$1	0.04%
Sub-total	$1,778	106.20%	$1,225	125.11%	$2,530	107.44%
Sales returns, allowances & discounts	$103	6.20%	$246	25.11%	$173	7.37%
Total	$1,674	100.00%	$979	100.00%	$2,357	100.00%

The Company generated during 2021, total revenue of $2,357, (for the year ended December 31, 2020, total revenue of $979). The increase in revenue of $1,378 is mainly a result of onboarding of new customers such as Walgreens, Foodlion, SAM's Club, iHerb. There has also been increase in distribution at the existing customers such as CVS, AMAZON, etc. driven by ongoing marketing and digital media campaigns.

Operating Expenses

(expressed in thousands of dollars)

Operating expenses of $10,240 (for the year ended December 31, 2020, $6,094) increased by $4,146 from the previous year. The major drivers of the increase are the following.

- Salaries & wages of $2,468 (for the year 2020, $1,168). This expense consists of management and employee wages associated with sales, operations, research & development, and administration. The increase was largely attributed to options and some added headcount to the Company.
- Advertising & marketing of $3,674 (for the year 2020, $1,144) relates to costs associated with new product launch campaigns. The increase of $2,530 from the previous year was impacted by the Company's decision to support the launch campaign of the Rejuvenate Plant based product.
- Professional fees $3,191 (for the year 2020, $1,041). The increase of $2,150 was directly related to the investor relations, audit and legal fees associated with the Prospectus filing.
- Impairment of intangible asset, $nil (for the year 2020 $2,181). For more details refer to note 10 in the consolidated financial statements,

Summary of Quarterly Results

(expressed in thousands of Canadian dollars)

The following table sets out selected unaudited financial data in respect of the last 8 (eight) quarters of the Company.

	Q1 2020 $	Q2 2020 $	Q3 2020 $ (note 1)	Q4 2020 $ (note 2)	Q1 2021 $ (note 3)	Q2 2021 $ (note 4)	Q3 2021 $ (note 5)	Q4 2021 $ (note 6)
Revenue	177	303	182	317	346	1,080	636	295
Net Loss	(430)	(138)	(4,622)	(2,526)	(1,428)	(3,049)	(3,010)	(1,293)

Notes to Quarterly Results

(1) Q3 2020 included operating costs which were significant such as impairment of intangible asset, business acquisition of Hammock Pharmaceuticals, Inc., and the RTO transaction with PJ1 Capital Corp.

(2) Q4 2020 included additional legal and audit fees associated with the filing of the prospectus, listing fees for the new distributors and TV media costs to support the Rejuvenate organic plant based beverage.

(3) Q1 2021 included warrants and options, additional legal and audit fees associated with the filing of the prospectus, TV media costs to support the Rejuvenate organic plant based beverage.

(4) Q2 2021 included significant costs, such as $1,215 investor relations associated with the issuance of common shares during the quarter, $249 for increased wages, $1,208 for advertising, $701 for professional fees offset by revenue of $233 for the quarter and other income of $618 related to Hammock.

(5) Q3 2021 included significant costs, primarily advertising and marketing costs of $1501 related to the new product launch campaigns which is based on the Company's decision to support a continuance of the marketing of the Rejuvenate Plant based product. In addition, salaries increased by $867, professional fees increased by $408 and general administration costs by $247.

(6) Q4 2021 included significant costs, primarily advertising and marketing costs of $762 related to the ongoing marketing campaigns which is based on the Company's decision to support a continuance of the marketing of the Rejuvenate Plant based product, salaries $626, professional and general administration costs by $423.

Capital Transactions

On June 25, 2018, the Company issue 1 common share for $1.00

On June 25, 2018, the Company issued 335,000 special warrants. An additional 215,000 special warrants were issued on July 9, 2020. The special warrants converted to common shares of the Company on November 7, 2020. The warrants are recorded at their estimated fair value which is based on $0.15 /share on August 31, 2020.

On July 3, 2020, the Company completed a private placement and issued 11,200,000 common shares at $0.02 per share for a total of $224,000.

On August 10, 2020, the Company completed a private placement and issued 11,033,162 common shares at $0.15 per share for a total of $1,654,974. The Company issued 521,600 special warrants as a finder's fee on August 10, 2020, to Canaccord Genuity Corp. The special warrants entitle the holder to purchase common shares at $0.15/share for a period of two years from the date of grant. The warrants are recorded at their estimated fair value which is based on $0.08/share on August 10, 2020, using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 1.9 years; (ii) risk free rate of 0.5%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) fair value of the share price of $0.15.

On August 31, 2020, all shareholders of Element exchanged all the issued and outstanding shares with the Company pursuant to the Element Share Exchange Agreement. Consideration received was the issuance of 24,375,000 common shares of the Company to the former shareholders of Element.

On August 31, 2020, the Company acquired all of the issued and outstanding shares of Hammock in consideration for the issuance of 9,375,000 common shares of the Company.

On August 31, 2020, the Company issued 400,000 common shares as a finder's fee related to the Element share exchange and the Hammock acquisition. The shares were recorded at the fair value on August 31, 2020 of $0.15/share.

The Element Share Exchange Agreement and the Hammock Merger Agreement contain voluntary lock-up provisions that apply to the former shareholders of Element and Hammock.

The Company entered into a non-brokered deal to file a prospectus for the purposes of completing an initial public offering. Pursuant to a concurrent private placement completed on January 18, 2021, and March 29, 2021, the Company issued an aggregate of 22,480,000 subscription receipts at a price of $0.25 each to raise aggregate gross proceeds of $5,620,000. The gross proceeds were placed into escrow. Upon conversion of the subscription receipts, and without additional payment therefor, the Company issued 22,480,000 common shares, which were qualified for distribution under the Prospectus. On May 13, 2021, the Company completed its Prospectus filing. On May 19, 2021, the funds were released from escrow and the subscription receipts were converted to common shares.

As part of the concurrent private placement, the Company entered into a finder's agreement with Canaccord Genuity Corp. Under the terms of the finder's agreement, the Company paid a finder's fee of $426,360 and issued 1,705,440 broker warrants exercisable for 1,705,440 common shares at a price of $0.25/share for a period of two years from the date of closing. A corporate finance fee of $210,000 was also payable to Canaccord Genuity Corp. Of the $210,000, $100,000 was payable by the issuance of fully paid shares at $0.25 per share.

On January 18, 2021, the Company issued 1,300,000 options to the President and Chief Executive Officer to purchase common shares of the Company. All options vested immediately at the date of issuance, have an exercise price of $0.25/share and expire five years from the date of issuance.

The Company has 24,000,000 management performance warrants reserved for issuance in connection with the Element share exchange agreement and Hammock merger and share exchange agreement. Each management performance warrant has a term of five years from the date of issue and entitles its holder to acquire one common share at an exercise price of $0.25 per share. The share exchange agreements contain voluntary lock-up provisions that apply to the former shareholders of Element Nutrition Inc. Upon issuance, the management performance warrants are exercisable based on the following criteria:

(a) 7,200,000 management performance warrants shall become exercisable upon the Company reaching $10,000,000 in revenue and a positive net profit for a financial year;

(b) 8,400,000 management performance warrants shall become exercisable upon the Company reaching $25,000,000 in revenue and $2,500,000 in EBTTDA for a financial year; and

(c) 8,400,000 management performance warrants shall become exercisable upon the Company reaching $50,000,000 in revenue and $5,000,000 in EBITDA for a financial year.

On February 1, 2021, February 4, 2021, and March 15, 2021, the Company issued 6,012,000 common shares for $1,503,000 ($0.25/share) through multiple private placements. As part of the private placements, Canaccord Genuity Corp. received a finder's fee of $92,240 and 386,960 special warrants exercisable at $0.25/share for a period of two years from the date of grant.

On March 10, 2021, the Company issued 3,400,000 options to certain employees and officers of the Company to purchase common shares of the Company at $0.25/share for a period of five years. One-third of all options vested immediately on the grant date, one-third will vest on the one-year anniversary of the grant date, with the remaining one-third vesting on the two-year anniversary of the grant date. The vested options, one-third, are recorded at their estimated fair value which is based on $0.185/share at March 10, 2021 using the Black- Scholes pricing model with the following assumptions: (i) expected option life of 5 years; (ii) risk free rate of 0.5%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) fair value of the share price of $0.25.

On April 27, 2021, the Company entered into a bridge loan agreement with L5 Capital Inc. to borrow up to $1,250,000 in three tranches of $500,000, $500,000 and $250,000 whereby it would pay an interest rate of 10% and in addition to the interest, issue two (2) warrants for each one (1) dollar loaned. The 2,500,000 warrants were issued on May 19, 2021. The Company repaid the loan with the escrowed funds as noted in above.

On June 18, 2021 the Company issued 8,334,000 common shares for $5,000,400 ($0.60/share) through a private placement. The Company issued a half warrant for each common share purchased for a total of 4,167 ,000 warrants. These warrants are exercisable at $1.00/share for a period of two years from the date of grant. As part of the private placement, Canaccord Genuity Corp. received a cash finder's fee of $350,028, 208,334 common shares at $0.60 / share and special warrants exercisable at $0.60/share for a period of two years from the date of grant.

On July 5, 2021, the Company issued 1,700,000 incentive stock options, with an exercise price of $0.81 per option, to certain directors, officers, employees, and consultants under its existing stock option plan. The options are exercisable for a period of five years. 425,000 options will vest immediately, 62,500 options will vest in six months, 358,332 options will vest in 12 months, 62,500 options will vest in 18 months, 420,834 options will vest in 24 months, 62,500 options will vest in 30 months and 308,334 options will vest in 36 months. The value of these options was calculated using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5.00 years; (ii) risk free rate of 0.99%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) share price of $0.79 at the time of grant based on the market rate for a valuation of $0.5843 per option.

On August 19, 2021, the Company issued 1,500,000 options to certain directors, employees and officers of the Company to purchase common shares of the Company at $0.70/share for a period of five year. One-half of all options will vest on the one-year anniversary of the grant date, with the remaining one-half vesting on the two-year anniversary of the grant date. The value of these options was calculated using the Black-Scholes pricing model with the following assumptions: (i) expected option life of 5.00 years; (ii) risk free rate of 0.99%; (iii) dividend yield of nil; (iv) expected volatility of 100%; and (v) share price of $0.70 at the time of grant based on the market rate for a valuation of $0.5200 per option.

On September 27, 2021, 26,880 of these broker warrants were exercised at an exercise price of $0.25 per common share for a total amount of $6,720. The Company issued 26,880 common shares.

During November 2021, 762,040 warrants were exercised at an exercise price of $0.25 per common share for a total amount of $190,510. The Company issued 762,040 common shares.

On January 23, 2022, 1,000,000 warrants were exercised at an exercise price of $0.25 per common share for a total amount of $250,000. The Company issued 1,000,000 common shares.

Liquidity and Capital Resources

The Company's approach to managing its liquidity is to ensure that it has sufficient resources to meet its liabilities as they come due and have sufficient working capital to fund operations for the ensuing fiscal year. As of the date of this MD&A, the Company's financing of operations has been achieved from product sales and by equity financing. The Company anticipates that it will require significant funds from its operations and either equity or debt financing to support its operations.

Going Concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has experienced negative cash outflows from operations and net loss for the years ended December 31, 2021 and 2020. While the Company has experienced an increase in the number of locations in which its products are sold, the Company is dependent on additional sources of liquidity to discharge its current liabilities and finance continued growth and operations. While the Company has secured additional sources of liquidity as described in note 7 of the Company's consolidated financial statements, the Company's ability to continue as a going concern and manage any risks associated with the response to COVID-19 pandemic as described in note 18 of the Company's consolidated financial statements is dependent upon raising additional capital and sources of liquidity. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. Should the Company be unable to generate sufficient cash flow from operations or financing activities, the carrying value of the Company's assets could be subject to material adjustments and other adjustments may be necessary to these consolidated financial statements should such events impair the Company's ability to continue as a going concern.

Cash Flows

The change in the Company's use of cash in the year ended December 31, 2021 compared to the year ended December 31, 2020 for operating activities, investing activities and financing activities are reflected in the following table:

(Audited) (expressed in thousands of Canadian dollars)	For the year ended December 31,	For the year ended December 31,
	2021	2020
Cash used in operating activities	$(9,942)	$(2,152)
Cash (used in) provided by investing activities	$(37)	$1,848
Cash provided by financing activities	$10,549	$221
Net increase (decrease) in cash	$569	($89)

Working Capital
(expressed in thousands of dollars)

Working capital represents the Company's current assets less its current liabilities. As at December 31, 2021, the Company had net working capital of $1,255, as against a deficit of $2,568 as at December 31, 2020. Working capital included cash, amounts receivable, prepaid expenses and advances, inventories, accounts payable and accrued liabilities, bank demand loan, the current portion of notes payable, lease liabilities, and government loan. The Company anticipates receiving cash proceeds from future revenue and public offerings.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions. Any quoted market for the Company's shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating new revenues, cash flows, or earnings.

As of the date of this MD&A, the Company has not yet achieved profitable operations, and as at December 31, 2021 has an accumulated deficit of $22,756. Whether, and when, the Company can attain profitability and positive cash flows from its operations remains uncertain. While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future on terms favorable to the Company.

Critical Accounting Estimates

The Company's consolidated financial statements are impacted by the significant accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described in Note 2 to the consolidated financial statements for the year ended December 31,2021.

Off-Balance Sheet Financing

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Transactions with Related Parties

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured. Repayment terms, if any, are determined at the time of the advance.

Key Management Compensation

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company and include the Company's CEO. The Company recorded $275 for the year ended December 31, 2021 (2020: $150) related to key management personnel salaries and benefits

Risk Factors

Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the Company's consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's customers are subject to an internal credit review, together with ongoing monitoring of the amount and age of balances in order to minimize the risk of non-payment. The carrying amount of amounts receivable reflects the maximum credit exposure and management's assessment of the credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance operations. Accounts payable and accrued liabilities are subject to normal trade terms.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments.

Currency risk

Currency risk arises from financial instruments and sales and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. The Company operates in Canada and the United States and the Company incurs the majority of its operating expenses in Canadian dollars. In the future, the proportion of international sales is expected to increase. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Company's business, financial condition, and results of operations. The Company manages risk to foreign currency exposure by monitoring financial assets and liabilities denominated in US dollars and exchange rates on an ongoing basis. The Company has not engaged in foreign currency hedging.

Disclosure of Outstanding Share Data

The Company had 97,573,916 common shares issued and outstanding as of May 2, 2022.

As of the date hereof, the Company has 32,075,460 warrants outstanding as follows:

Issue date	Exercise price	Number of warrants
August 10, 2020	$0.15	521,600
January 18, 2021(1)	$0.25	24,000,000
February 1, 2021	$0.25	231,440
March 15, 2021	$0.25	155,520
May 13, 2021	$0.25	2,500,000
May 14, 2021	$0.25	1,705,440
June 18, 2021	$1.00	4,167,000
June 18, 2021	$0.60	583,380
September 27, 2021	$0.25	(26,880)
November 10, 2021	$0.25	(22,400)
November 16, 2021	$0.25	(24,640)
November 18, 2021	$0.25	(187,500)
November 22, 2021	$0.25	(527,500)
January 23, 2022	$0.25	(1,000,000)
Total		32,075,460

Notes:

(1) Performance warrants, issued but not yet exercisable

As of the date hereof, the Company has 8,400,000 options outstanding, subject to certain vesting conditions,as follows:

Grant date	Exercise price	Number of options
December 22, 2020	$0.25	500,000
January 18, 2021	$0.25	1,300,000
March 10, 2021	$0.25	3,400,000
July 5, 2021	$0.81	1,700,000
August 19, 2021	$0.70	1,500,000
Total		8,400,000

Additional Information

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com.