

Element Nutritional Sciences Reports Q4 and Fiscal 2021 Results

- **Demonstrated strong revenue growth of \$2.4 million for FY 2021, an increase of over 156% versus 2020, with a gross margin of \$0.2 million**
- **Expanded distribution partnership through recently added retailers including Publix, Pattern, Sam's Club, Longo's, Fortinos and Walgreens**
- **Innovation pipeline now includes JAKTRX™ PROMINO, JAKTRX™ Pro Recovery and Rejuvenate™ Immune Health, targeting high potential nutrition markets**

BURLINGTON, Ontario--(BUSINESS WIRE)--May 3, 2022--Element Nutritional Sciences Inc. (CSE:ELMT; OTCQB:ELNSF; FRANKFURT:93X) (the "Company" or "Element") has reported its financial results for the three months and full year ended December 31, 2021 ("Q4 2021" and "FY 2021", respectively). All amounts are expressed in Canadian dollars.

Stuart Lowther, Chief Executive Officer commented, "I am delighted with the progress Element has made in 2021. We expanded our distribution footprint through significant large retail partnerships, continued to accelerate sales volume through retail and e-commerce channels and developed new product formats for our unique patented formulation. These efforts translated into revenue growth of over 156% year-over-year, demonstrating the potential of the combination of our clinically-proven products with an established distribution channel, all backed by our team that has significant experience building value in the consumer nutrition market. In 2022, we have been focused on further expanding the reach of our innovative nutraceutical products, enabling us to target high potential nutrition markets to unlock shareholder value, while delivering sustainable quality of life to our consumers."

Highlights during and subsequent to Q4 2021:

Financial:

- Generated revenue \$2.4 million for FY 2021, an 156% increase over the prior year, with a gross margin of \$0.2 million
- Increased revenue to \$0.3 million in Q4 2021, as compared to \$0.3 million in the prior year, with a gross margin of (\$0.1) million

Distribution:

- Listed Rejuvenate™ single serve pouches with the Longo's grocery chain in Ontario
- Launched Rejuvenate™ single serve pouches across all 23 Fortinos locations, including its online platform, making Rejuvenate™ is available at over 400 Loblaw Companies locations across Canada, including Shoppers Drug Mart, Loblaw and Fortinos
- Announced that Rejuvenate™ ready to drink organic plant protein beverage is available at all 589 Sam's Club locations
- Announced an agreement with leading e-commerce business accelerator Pattern Inc. ("Pattern") to accelerate global online sales over the Amazon platform
- Secured automatic replenishment for Rejuvenate™ for all Sam's Club across the United States
- Received purchase orders from Publix Super Markets Inc. to distribute Rejuvenate™ ready-to-drink organic plant protein beverage in 1,297 Publix locations across the United States

Innovation:

- Announced the acquisition of the right to use the same plant-based amino acid formulation underlying Rejuvenate™ muscle health products to develop a new higher dosage formulation for the sports nutrition market, with JAKTRX™ Promino as the first product to be launched under the higher dosage formulation
- Announced the planned launch of Rejuvenate™ Immune Health
- Appointed Christine Mazurk-Fera to join existing medical advisors Dr. Jonathan Sherbino and Dr. Scott McKenzie to form a Medical Advisory Board to assist with designing a research and development strategy for new higher dose Rejuvenate™ formulations for the orthopedic and oncology market
- Announced that the clinically proven amino acid formulation used in Rejuvenate™ muscle health products received a global Patent Cooperation Treaty patent issued by the United States Patent and Trademark Office, extending Element's intellectual property protection beyond the United States into foreign markets including, but not limited to, Canada, the European Union and the Asia Pacific countries

Corporate:

- Commenced trading on the OTCQB® Venture Market (OTCQB) under the symbol "ELNSF" on February 2, 2022

Financial Results

In Q4 2021, the Company realized revenue of \$0.3 million, as compared to \$0.3 million in Q4 2020. For the FY 2021, Element increased revenue to \$2.4 million, up 156% from \$0.9 million for FY 2020. Results for both periods are attributable to new listings with large retailers, as well as increased e-commerce sales and sales to existing retailers for the Company's flagship Rejuvenate™ product.

Element reported a net loss of \$1.3 million in Q4 2021, as compared to a net loss of \$2.5 million in Q4 2020, and a net loss of \$8.7 million for FY 2021, as compared to a net loss of \$7.7 million in the prior year. The impact of the increased revenue was offset by the issuance of warrants and options to key personnel and onboarding new staff, advertising and marketing costs related to new products launches, as well as higher professional fees related to its prospectus filing, reverse take-over transactions and investor relations.

	2021	2020
Revenue from sale of goods	\$ 2,356,788	\$ 979,363
Cost of sales	2,181,826	816,635
	174,962	162,728
Operating expenses		
Impairment of intangible asset	-	2,180,801
Salaries and wages	2,467,641	1,168,016
Advertising and marketing	3,674,530	1,144,093
Professional fees	3,190,985	1,040,778
General and administrative	809,378	368,075
Depreciation	81,947	149,387
Product development	15,969	42,527
	10,240,450	6,093,677
Operating loss	(10,065,488)	(5,930,949)
Other income (expenses)		
RTO Transaction	-	(1,727,085)
Other income	1,256,816	13,386
Finance costs:		
Interest expense	(26,957)	(29,951)
Bank charges	(25,280)	(23,017)
Foreign exchange loss	81,380	(18,704)
	1,285,959	(1,785,371)
Loss before income taxes	(8,779,529)	(7,716,320)
Income tax expense	-	-
Net loss	(8,779,529)	(7,716,320)
Other comprehensive loss		
Foreign currency translation	(125,102)	60,264
Net loss and other comprehensive loss	\$ (8,904,631)	\$ (7,656,056)
Basic and diluted loss per common share	(0.10)	(0.36)
Weighted average number of common shares outstanding	83,623,532	21,469,605

About Element

Element 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'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 also offers JAKTRX™, an elite brand of performance supplements. Element was founded in 2015 and is located in Burlington, Ontario.

To learn more about Element, visit elmtinc.com.

More information about *Rejuvenate*™ can be found at: www.rejuvenatemuscle.com

More information about *JAKTRX*™ and *Promino*™ can be found at: www.jaktrx.com

Forward Looking Statements

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward looking statements relate, among other things, to: the Company's ability to expand distribution and access new markets.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: fluctuations in general macroeconomic conditions; expectations regarding the size of the United States and Canadian health, nutraceutical and wellness markets and changing consumer habits; the viability of the Company's products; availability of distribution channels for the Company's product offerings; the ability of the Company to successfully achieve its business objectives; plans for expansion; successful development of the Company's proposed products; the presence of laws and regulations that may impose restrictions or recalls on the sale of the Company's products in the United States and Canada; customer and distributor relations; fluctuations in securities markets; and the inability of the Company to obtain adequate insurance to cover risks and hazards. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors

that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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