

Element Nutritional Sciences Reports Q1 2022 Financial Performance

- **Realized revenue growth of \$2.3 million in Q1 2022, an increase of 559% versus Q1 2021, with a gross margin of 40%**
- **Expanded distribution through partnership with large retailers and brand accelerators including Publix, Pattern, Sam's Club, and Walgreens**
- **Innovation pipeline now includes JAKTRX™ PROMINO, and Rejuvenate™ Muscle Activator, targeting high potential nutrition and consumer markets such as sports nutrition, orthopaedics, immune health and oncology**

BURLINGTON, Ontario--(BUSINESS WIRE)--May 31, 2022--Element Nutritional Sciences Inc. (CSE:ELMT; OTC:ELNSF; FRANKFURT:93X) (the "Company" or "Element"), today reports its financial results for the three months ended March 31, 2022 ("Q1 2022"). All amounts are expressed in Canadian dollars.

Stuart Lowther, Chief Executive Officer of Element commented, "Element delivered outstanding results in Q1 2022. We started the year with a milestone quarter highlighted by record revenues of \$2.3 million, demonstrating a year-over-year growth of 559%. These results are attributable to our commitment to execute on our strategic plan, significant cost discipline and continued focus on expanding our diversified distribution pipeline, especially in the U.S. With significant retail and e-commerce partnerships in place, an improved balance sheet supported by our recent financing, and clinically-proven and patented products in the pipeline catering to high potential global nutrition and consumer markets, we believe Element is well positioned for success in 2022 and beyond."

Highlights during and subsequent to Q1 2022

Financial

- Generated revenue of \$2.3 million, up 559% from \$0.3 million in Q1 2021
- Increased gross margin to 40% in Q1 2022
- Improved operating income to \$(0.8) million and net income to \$(1.0) million
- Announced and closed its short form prospectus offering raising gross proceeds of \$3.5 million.

Distribution

- Expanded its distribution footprint and entered the U.S. grocery channel with Publix Super Markets Inc. ("Publix"). Rejuvenate™ is now on shelves at 1,295 Publix grocery stores across the U.S.
- Announced that its flagship Rejuvenate™ product was available online at Walgreens and across all Sam's Club locations across the U.S.
- Secured automatic warehouse replenishment for its Rejuvenate™ ready to drink plant protein beverage at Sam's Club, following Sam's Club achieving full sell through of its first purchase order

- Accelerated sales on the Amazon platform through a partnership with Pattern Inc. (“Pattern”), the third largest global supplier to Amazon
- Integrated its industry-leading JAKTRX™ performance supplement branded products on Amazon.com, through its partnership with Pattern in addition to on the Company’s direct to consumer e-commerce platform, www.JAKTRX.com
- New and patented Promino™ line of sports nutrition products is also available on Amazon with sales and fulfillment facilitated through Pattern
- Announced that its industry-leading JAKTRX™ performance supplement branded products as well as its new patented Promino™ line of sports nutrition products are now available to customers across the United States on the Company’s e-commerce platform, www.JAKTRX.com

Innovation

- Acquired the right to use the same plant-based amino acid formulation underlying its 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 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
- Recently announced that it has completed production trials for its all new Rejuvenate™ Muscle Activator product, which is expected to launch online and through the Company’s established pharmacy and grocery retail network in the United States, in the third quarter of 2022

Corporate

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

Financial Results

In Q1 2022, Element generated revenue of \$2.3 million, up 559% from \$0.3 million in Q1 2021. Results 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 \$1.0 million in Q1 2022, as compared to a net loss of \$1.5 million in Q1 2021. The impact of the increased revenue and gross profit was offset in part by the issuance of warrants and options to key personnel and onboarding new staff, and professional fees related to investor relations activities.

(expressed in thousands of Canadian dollars)	For the 3 months ended, March 31, (unaudited) 2022	For the 3 months ended, March 31, (unaudited) 2021
	\$	\$
Revenue	2,279	346
Cost of sales	1,373	345
	905	1
Operating Expenses		
Salaries and wages	752	724
Advertising and marketing	216	203
General and administrative	221	43
Depreciation	7	19
Professional fees	569	472
Product development	3	2
Total operating expenses	1,768	1,463
Loss before other income (expenses)	(863)	(1,462)
Other Income (Loss) and (expenses):		
Foreign exchange (loss) gain	(56)	46
Interest expense	(28)	(6)
Bank charges & interest	(29)	(10)
Other Income	-	3
Net Loss	(976)	(1,429)

Readers are encouraged to review the Company's complete Q1 2022 financial statements and management's discussion and analysis thereof for a fulsome assessment of the Company's performance and applicable risk factors, available at www.sedar.com.

About Element

Element is an innovative and research driven Canadian nutraceutical company specializing in the development of patented and science-based products for the global consumer packaged goods market, with a portfolio focused specifically on men and women over the age of 40. 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. Forward looking statements in this news release include: the anticipated launch of the Rejuvenate™ Muscle Activator product in Q3 2022, and the future performance of the Company.

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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