CORRECTING and REPLACING Element Nutritional Sciences Reports Q2 2021 Results

written by Raj Shah | September 1, 2021
August 31, 2021 (Source) –

- Generated revenue of $1.1 million in Q2 2021, an increase of 212%, with a gross margin of 22%
- Increased points of distribution for Rejuvenate™ to over 16,500, in addition to adding leading international e-commerce platforms

CORRECTION…by Element Nutritional Sciences Inc.

Second paragraph, first sentence of release should read: …16,500 points… (instead of …16,5000 points…).

The updated release reads:

ELEMENT NUTRITIONAL SCIENCES REPORTS Q2 2021 RESULTS

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- Increased points of distribution for Rejuvenate™ to over 16,500, in addition to adding leading international e-commerce platforms

Element Nutritional Sciences Inc. (CSE:ELMT; FRANKFURT:93X) (the "Company" or "Element"), today reported its financial results for the second quarter ended June 30, 2021 ("Q2 2021"). All amounts are expressed in Canadian dollars.

"We made tremendous progress towards increasing our distribution channels in Q2 2021, with Rejuvenate™ now in over 16,500 points

of distribution across North America, in addition to international e-commerce platforms. Our efforts have paid off with revenue increasing over 200% year-over-year. Having secured shelf space with leading retailers and the two largest pharmacies in the United States, CVS and Walgreens, we have only begun to demonstrate our potential as we aim to now increase our velocity of sales, increase the number of SKUs our partners are carrying, and make strategic progress towards entering new markets including sports nutrition, orthopedics and oncology," said Stuart Lowther, Chief Executive Officer.

Highlights during and subsequent to Q2 2021

- Generated revenue of $1.1 million in Q2 2021, an increase of 212%, with a gross margin of 22%
- Commenced trading on the Canadian Securities Exchange on May 26, 2021 and closed a private placement for gross proceeds of $7.1 million at a price of $0.25 per unit
- Launched Rejuvenate™ across 8,400 Walgreens locations, the second largest pharmacy chain in the United States
- Completed a bought deal private placement for gross proceeds of $5 million at a price of $0.60 per unit
- Received an initial purchase order from iHerb, an international e-commerce platform with distribution across 150 countries
- Received an initial purchase order for Sam's Club online platform
- Received an initial purchase order from Metro grocery stores in Ontario
- Appointed John Duffy as VP of Sales for the United States and appointed Stephen Brown as Chief Operating Officer
- Announced a brokerage agreement with Advantage Solutions to accelerate retail channel penetration in North America in July 2021
- Engaged Canopy Management in July 2021 to maximize

awareness and sales of Rejuvenate™ over the Company's amazon.ca and amazon.com platforms
- Signed an LOI to establish Asia Pacific Region distribution in July 2021

Financial Results

In Q2 2021, the Company generated increased revenue to $1.1 million, up 212% from $0.3 million in Q2 2020. The results are attributable to new listings with three 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 $3.0 million in Q2 2021, as compared to a net loss of $0.1 million in Q2 2020. The impact of the increased revenue was offset by higher salaries wages, advertising and marketing costs, as well as higher professional fees. The increased expenses are attributable to an increased headcount, Rejuvenate™ launch campaigns, and audit and legal costs related to the Company's public listing.

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

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 increase velocity across existing retailers, its ability to increase SKU count with existing retailers and enter 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.

(expressed in Canadian dollars)	**For the 3 months ended June 30, 2021**	**For the 3 months ended June 30, 2020**	**For the 6 months ended June 30, 2021**	**For the 6 months ended June 30, 2020**

	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	2021	**2020**	**2021**	**2020**
Revenue	1,080,514	302,873	1,426,248	479,920
Cost of Sales	847,839	162,187	1,192,854	285,728
	232,675	**140,686**	**233,394**	**194,192**
Operating Expenses				
Salaries and wages	250,357	59,357	974,660	279,334
Advertising and marketing	1,208,111	114,134	1,411,438	187,486
General and administrative	97,427	51,866	139,950	133,159
Depreciation	20,254	40,547	38,886	78,798
Professional fees	2,343,164	9,351	2,814,991	13,121
Product development	750	2,021	2,785	32,950
Total operating expenses	**3,920,063**	**277,276**	**5,382,710**	**724,848**
Loss before other income (expenses)	**(3,687,388)**	**(136,590)**	**(5,149,316)**	**(530,656)**
Other Income (Loss) and (expenses)				

Foreign exchange (loss) gain	40,171	(1,707)	86,372	(22,273)
Interest expense	(13,996)	(9,692)	(20,358)	(17,272)
Bank charges and interest	(5,902)	(3,403)	(15,365)	(10,800)
Other Income	617,905	13,344	621,093	13,386
Net Loss	**(3,049,210)**	**(137,688)**	**(4,477,574)**	**(567,615)**

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