

Element Nutritional Sciences Reports Q3 2021 Results

written by Raj Shah | December 1, 2021

- Increased revenue to \$2.1 million for the year-to-date Q3 2021, an increase of 212%, with a gross margin of \$0.2 million
- Recently added distribution partners including Sam's Club, Longo's and Fortinos
- Innovation pipeline now includes JAKTRX™ PROMINO, JAKTRX™ Pro Recovery, Rejuvenate™ Immune Health and Rejuvenate™ Omega Health, targeting high potential nutrition markets

December 1, 2021 ([Source](#)) – Element Nutritional Sciences Inc. (CSE:ELMT; OTC:ELNSF; FRANKFURT:93X) (the “Company” or “Element”), today reported its financial results for the three and nine months ended September 30, 2021 (“Q3 2021”). All amounts are expressed in Canadian dollars.

Stuart Lowther, Chief Executive Officer commented, “We are maintaining a high growth trajectory with revenue increasing 249% in Q3 2021 and 212% for the year-to-date period. During the quarter, we added large and prominent retailer partners to our growing distribution network and increased our sales velocity through both traditional retail and e-commerce channels. Focusing further on our innovation pipeline, we announced two new products under our flagship brand – Rejuvenate™ Immune Health and Rejuvenate™ Omega Health – targeted towards two high potential nutrition markets. With our distribution securely in place, sales volumes on an upward trend and many strategic initiatives ahead, we look forward to continuing to drive growth by delivering innovative and high value products to our customers.”

Highlights during and subsequent to Q3 2021:

Financial:

- Generated revenue \$2.1 million for the year-to-date Q3 2021, a 212% increase over the prior year, with a gross margin of \$0.2 million
- Increased revenue to \$0.6 million in Q3 2021, a 249% increase over the prior year, with a break-even gross margin

Distribution:

- Listed Rejuvenate™ plant-based single serve pouches with the Longo's grocery chain in Ontario
- Launched Rejuvenate™ plant-based 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
- Rejuvenate™ ready to drink organic plant protein beverage will be available at all 589 Sam's Club locations, with shipments beginning November 29, 2021
- Appointed Vito Sanzone as its Chief Marketing Officer

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 and Rejuvenate™ Omega 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

Financial Results

In Q3 2021, the Company increased revenue to \$0.5 million, up 249% from \$0.2million in Q3 2020. For the year-to-date Q3 2021, Element increased revenue to \$2.1 million, up 212% from \$0.7 million for the year-to-date Q3 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 \$3.0 million in Q3 2021, as compared to a net loss of \$4.6 million in Q3 2020, and a net loss of \$7.5 million for the year-to-date Q32021, as compared to a net loss of \$5.2 million for the comparable prior year period. 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 investors relations.

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 maintain its high-growth trajectory and driving growth through innovation.

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.

Summary Information	(Unaudited)		(Unaudited)	
(expressed in thousands of Canadian dollars)	As at and for the 3 months ended, September 30	As at and for the 3 months ended, September 30	As at and for the 9 months ended, September 30	As at and for the 9 months ended, September 30
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue	636	182	2,063	661
Operating loss	(3,046)	(2,878)	(8,195)	(3,405)
Net loss	(3,010)	(4,621)	(7,488)	(5,186)
Total current assets	5,864	2,016	5,864	2,016
Total non-current assets	143	197	143	197
Total current liabilities	3,383	2,538	3,383	2,538
Total non-current liabilities	34	156	34	156
Total shareholders' deficiency	2,590	(481)	2,590	(481)

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