Element to List on CSE and Provides Business Update

written by Raj Shah | May 26, 2021
May 26, 2021 (Source) –

- Element's common shares to begin trading today on the Canadian Securities Exchange under the ticker symbol "ELMT"
- Closed private placement of subscription receipts for gross proceeds of $5.6 million
- Proprietary Rejuvenate™ brand currently in over 7,500 retail locations, with current vendor status agreements providing access to over 16,000 points of distribution across the United States and Canada
- Innovation pipeline to add products addressing significant size markets including oncology, orthopedics and sports nutrition

Element Nutritional Sciences Inc. (CSE:ELMT) (the "Company" or "Element"), is pleased to announce that its common shares will begin trading on the Canadian Securities Exchange this morning under the ticker symbol "ELMT". Element is also pleased to release a business update with respect to the Company's operational progress and a CEO Letter to Shareholders.

Recent Business Highlights

Highlights since the Company's last business update include:

- Signed an agreement with Advantage Solutions, one of North America's top food and drug brokerage firms, providing access to mass retailers in the United States encompassing 42,000 potential points of distribution;
- Launched Rejuvenate TM in Loblaws across Canada in October

2020;

- Completed the first commercial production run of Rejuvenate TM ready to drink organic plant protein beverage in November 2020 and launched on Amazon.com and Rejuvenatemuscle.com;
- Launched Rejuvenate TM ready to drink organic plant protein beverage in four U.S. states through CVS Health, the largest pharmacy chain in the United States;
- Completed an agreement with Food Lion in February 2021 for distribution of Rejuvenate TM ready to drink organic plant protein beverage in 1,000 stores in the South Eastern U.S. and made its first shipment under this agreement in March 2021, the first shipment sold out in three weeks and the Company expedited a full re-stocking order;
- Executed an agreement with Walgreens in February 2021, the second largest pharmacy chain in the U.S., for distribution of Rejuvenate TM ready to drink organic plant protein beverage across 8,468 locations, and received its first purchase order under this agreement in April 2021;
- Completed an agreement with Sam's Club in March 2021 for sales of Rejuvenate TM ready to drink organic plant protein beverage on Samsclub.com slated to launch in May 2021;and
- Closed a private placement of subscription receipts issuing 22,480,000 common shares for gross proceeds of $5.6 million, and a private placement of common shares for gross proceeds of $1,503,000, for aggregate gross proceeds of over $7.1 million in 2021.

CEOLettertoShareholders

Element was founded to enhance peoples' lives. Through our scientifically-backed approach to product development and innovation, we believe that we are in an excellent position to drive revenue growth internationally with novel and plant based

nutraceutical products.

Through our proprietary brand RejuvenateT M , we have begun by targeting the market for Sarcopenia, muscle loss due to aging. The market size for Sarcopenia is estimated to grow to up to US$3 billion by 20251 given the aging demographic in developed countries and a lack of remedies for muscle loss. To date, we have established direct to consumer e-commerce channels for Rejuvenate TM, our products can be found in over 7,500 retail locations across North America and our vendor status agreements provide us access to 16,000 points of distribution.

But this is only the beginning. We believe that through innovation, we can increase Rejuvenate™'s dosage to develop products suitable to oncology and orthopedic patients. We will also be innovating our product for the sports nutrition protein powder category through our JAKTRX™ brand. JAKTRX™ can currently be purchased online and we plan to launch it in retail locations this fall.

Our competitive advantage in entering these target markets is that our product is backed by clinical proof and our team knows how to scale consumer packaged goods through retail channels. Over 25 peer reviewed studies support the efficacy of our products which gives us solid credibility when establishing relationships with major retailers. Additionally, our products are organically produced and plant based, which is increasingly what consumers are demanding.

I would like to extend a sincere thank you to our shareholders for their support. I firmly believe Element has a unique opportunity to disrupt major consumer markets that have not seen innovation for decades as we fulfill our mission of helping people *Live Stronger and Longer.*

Sincerely,

Stuart Lowther

Chief Executive Officer

Services Agreements

The Company is pleased to announce that it has entered into an agreement with Native Ads Inc. (“Native Ads”), an arm’s length party to the Company, to provide a 12-month programmatic digital advertising campaign in connection with the Company’s ongoing effort to increase awareness. This comprehensive advertising program is designed to build brand familiarity, general recognition, and awareness within online investor content platforms. Native Ads will employ state of the art digital advertising, paid distribution, media buying and content creation to execute this important initiative.

Under the terms of this agreement, Native Ads will provide a combination of strategic digital media services, marketing co ordination, content production, and data analytics services for a total payment value of $250,000 amortized over the 12- month duration of the agreement. The agreement was signed May 18, 2021 and the campaign will commence in June 2021. The Company and Native Ads act at arm’s length, and Native Ads has no present interest, directly or indirectly, in the Company or its securities.

The Company has also retained LodeRock Advisors Inc. (“LodeRock”) to provide investor relations and consulting services to the Company. LodeRock is a Toronto-based group of senior capital markets communications executives who develop and execute communications programs in order to help companies achieve their capital markets objectives and capture the full potential of their public listing.

Under the Company’s agreement with LodeRock, which will continue

until either party has terminated the agreement with sixty (60) days' notice, the Company will pay LodeRock a monthly fee of $12,500 payable in cash for ongoing investor relations and consulting services. The Company has also issued to LodeRock 150,000 stock options ("Options"), each Option is exercisable at a price of $0.25 to acquire one common share of the Company. Other than the Options, LodeRock and its principals own 333,334 common shares of Element.

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 potential market size for Sarcopenia and the Company’s ability to increase dosage and access to 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.

1 Zion Market Research, Sarcopenia Market-Global Industry Perspective Comprehensive Analysis and Forecast 2019- 2025

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