



ELEMENT NUTRITIONAL SCIENCES INC. REACHES NEW IP LICENSING AGREEMENT

Agreement settles potential litigation and clears path for recapitalization, marketing and strategic partnerships

BURLINGTON, Ontario – December 6, 2023 – Element Nutritional Sciences Inc. (CSE:ELMT; OTC:ELNSF; FRANKFURT:93X) (the “**Company**” or “**Element**”) announces that, further to the news release of the Company dated September 11, 2023, a settlement (the “**Settlement**”) has been reached between Eight IP, LLC (“**Eight IP**”), the Company and the Company’s subsidiary Element Nutrition Inc. (“**ENI**”) in connection with the claims relating to the Company’s use of the patented formula included in its Rejuvenate™ and Promino™ beverages (the “**Patent**”). All dollar values herein are in USD.

Vito Sanzone, the Company’s Chief Executive Officer, stated, “The market opportunity to improve muscle health through superior protein remains significant. With the support of Eight IP, we have reached a new IP licensing agreement and are now positioned to turn our attention to developing our brands. We have a new leadership team and have cultivated relationships with investor, marketing and strategic partners, who all see the potential for Rejuvenate Muscle Health™ and Promino™ over the long-term. Today, we see a clear path towards reaching our goals and we look forward to providing more updates in the near term”

The Settlement

The Company licenses Eight IP’s US Patent No. 9,364,463. This patent was the result of over \$20 million in funding, 27 clinical trials and over 20 years of research to discover the optimal ratio and key amounts of nutrients required to stimulate muscle protein synthesis. Clinical trials have demonstrated the formulation underlying this patent can increase muscle gain, increase muscle protein synthesis and strengthen recovery. The patent is critical in the formulation of the Company’s branded muscle health products Rejuvenate Muscle Health™ and Promino™.

As a part of the Settlement:

- Eight IP and ENI has entered into a settlement agreement and release (the “**Settlement Agreement and Release**”) in which ENI has agreed to pay Eight IP US\$300,000.00 (the “**Settlement Amount**”) within ninety (90) days of the execution of the Settlement Agreement and Release from the proceeds of a US\$1,500,000.00 financing (the “**Financing**”) to be undertaken by ENI or its affiliates within the same 90 days. Further details in respect of proposed Financing terms will follow.
- Eight IP and the Company have agreed to permit Eight IP to enter a consent judgement (the “**Consent Judgment**”) in the amount of \$1,000,000 if the Company is unable to raise the entire \$1,500,000.00 from the Financing or complete the payment of the Settlement Amount within the prescribed time period.
- ENI has provided Eight IP with a revolving promissory note (the “**Promissory Note**”) for the Settlement Amount payable under the terms of the Settlement Agreement and Release.



- Eight IP and the Company has entered into a pledge agreement in which the Company pledges all of the shares of ENI, Hammock Pharmaceuticals, Inc., Element Nutrition Ltd., and JAKTRX Inc. to Eight IP in the event of default of the Promissory Note.
- The Company's former license in respect of the Patent is terminated, and replaced with a new license agreement whereby Eight IP has granted ENI a ninety (90) days nonexclusive license to use the Patent, to be extended provided ENI and the Company comply with its obligations noted above and therein.
- Eight IP and ENI will within five (5) business days of the execution of the Settlement Agreement and Release jointly file a motion to stay the current claim, subject only to Eight IP's rights to file the Consent Judgment in the event of default by the Company or ENI.
- The Company has provided a guarantee to Eight IP to guarantee ENI's performance, observance and payment for all present and future indebtedness, liability and obligations pursuant to the Promissory Note and Settlement Agreement and Release between Eight IP and ENI.

For further information, please contact:

Vito Sanzone
Chief Executive Officer
ir@elementnutrition.com
855-348-1970

Or
Marc Charbin
Investor Relations
ir@elementnutrition.com
416-467-5229

Forward-Looking Statements

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of 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.

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 include the Company's ability to complete the Financing. 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.