

## Ecovatec Solutions – Corporate Update July 23<sup>rd</sup>, 2019

Ecovatec Solutions Inc. (ESI) is pleased to announce the signing of a distribution agreement with Applied Food Sciences Inc of Texas, USA. The exclusive distribution agreement covers three of ESI's exciting, novel ingredients: HDL, a protein isolate, MyCellePro™ and Emulsolva™. The latter two being proprietary emulsifiers.

AFS is a proven nutraceutical focused distributor founded in 2001 with strong science-based support of their ingredients and are excited to work with ESI's novel ingredients. The agreement is supported by a substantial stock investment with further financial support provided as additional investment funding milestones are met. In addition to this direct financial support, AFS is also supporting ESI with funding of clinical trials which will prove the efficacy of the novel ingredients. The HDL clinical trial is currently in the design stage and is expected to commence in early fall. MyCellPro™ testing has already begun and shows promising preliminary results.

ESI has entered into a LOI with LeanLife Health Inc. (LHI) to become LHI's contract manufacturer based out of the Abbotsford manufacturing facility. The LOI follows the successful development of a unique production process that results in a proprietary flax oil with a higher purity, a much-improved throughput, and a lower cost to manufacture. The contract requirements make use of unused floor space and equipment and will not negatively impact ESI's ability to produce ESI products at full capacity. This will, however, provide revenue to significantly offset current facility overheads and allow new capital to be focused on sales, market development and clinical trials of ESI's ingredients.

ESI is in early discussions with several CBD based companies on product development and working relationships. Specifically, ESI expects to agree to a LOI with a well funded CBD based processor to form a JV company. The new JV will produce an exclusive nano-encapsulated CBD product, in either powder or liquid form, using ESI's MyCellePro™ as the delivery platform. This unique product is water soluble, masks undesired odor and taste, and greatly increases the bioavailability of the CBD, resulting in markedly improved revenues. Early trials of a CBD nano-encapsulated powder have been debuted at a Portland area CBD show with considerable positive response. The new JV will be funded jointly with ESI's portion funded through a partial use of proceeds from an expected sizable share purchase by the CBD company.

ESI is having ongoing, escalating discussions with a large, US-based, nutraceutical company for use of ESI's ingredients in their consumer product lines. Given the size of the potential customer this could singlehandedly positively impact profitability and cash flow of the business.

ESI, through sister company Vitellus Health Inc. (VHI), has seen a dramatic upturn in the sales of its egg oil after a Hong Kong based celebrity's endorsement of egg oil's ability to treat eczema. Egg oil has a long history in Chinese traditional medicine. With limited producers worldwide, ESI's egg oil is considered a high-quality premium naturally derived egg oil. After initial purchase and use by customers, there have been numerous positive reviews and testimonies. Vitellus now has numerous repeat



purchasers and is receiving distribution enquiries in Hong Kong, China, Korea, and the Middle East, as well as in North America.

HDLevate, the Vitellus branded HDL increasing product which is based primarily on ESI's HDL, is now listed for sale on Amazon in addition to the Vitellus' corporate website. Early results from numerous people taking the product are demonstrating greatly improved cholesterol scores after only a couple of months. These results are being shared and posted on the Vitellus website. Further, these results are fueling the support by companies such as AFS to perform a clinical trial on this product to have scientifically proven results of this very effective and unique natural product. The multi-billion-dollar heart health product market has tremendous room for a natural and highly effective product.

**Technology Solutions for Healthy Living**

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