ALUULA Provides Corporate Update and Outlines Strategic Refocus

Victoria, British Columbia--(Newsfile Corp. - May 6, 2024) - [ALUULA Composites Inc.](#) (TSXV: AUUA) ("**ALUULA**" or the "**Company**") today announces a corporate update, sharing key activities completed in the past six months and outlining its strategic refocus moving forward.

Past 6 Month Highlights

- During fiscal year 2023 ("**FY2023**") ended October 31, 2023, the Company began working with brand partners across several vertical markets including Outdoor, Sailing, and Aerospace. This was due to increased customer demand for the Company's high-performing and recyclable materials.
- On October 31, 2023, ALUULA announced a partnership with Arc'teryx to develop new and more circular ultralight outdoor gear.
- During Q4 2023, ALUULA finalized the specifications for its ALUULA Durlyte™ ("**Durlyte**"), and ALUULA Graflyte™ ("**Graflyte**") materials, developed specifically for the demands of its new vertical markets.
- ALUULA built a strong foundation during FY2023, solidifying its core business and uniquely positioning itself to engage with a wider array of brand partners in its new vertical markets.
- In November 2023, the Company attended the ISPO tradeshow in Munich ("**ISPO**"), showcasing Durlyte and Graflyte, along with new brand partnerships, with highlights as follows:
  - Arc'teryx previewed a concept backpack made with ALUULA, featuring innovative welded seam construction and recyclable materials.
  - Durston Gear launched its first backpack with ALUULA materials, reducing overall product weight by 50%.
  - Rockgeist announced a collaboration with ALUULA to enhance bike pack performance, leveraging its lightweight, waterproof, and abrasion-resistant properties.
- During Q1 2024, ALUULA began to capitalize on momentum built during FY2023. The Company commercialized products with brand partners in the wind sport and outdoor vertical markets and reported its highest quarterly sales and material production since inception.
- In February 2024, ALUULA strengthened its management team with the appointment of Sage Berryman as President. In March 2024, Berryman assumed the role of CEO, in addition to her current duties as President, to lead the Company towards realizing its promising growth opportunities.
- In March 2024, ALUULA announced a research and development collaboration with Michelin Inflatable Solutions, a Michelin company, to maximize the construction potential of more environmentally sustainable composite materials.
- As of May 3rd, 2024, ALUULA has now sold material to sixteen wind sports brands. Nine of these brands are currently in the market with ALUULA materials, while the balance are anticipated to launch products with ALUULA materials shortly.
- Within a six-month period and as of May 3rd, 2024, the Company has sold material to twelve bag and pack brands. Six of these brands have already been commercialized or are expected to go to market with new products within the next three months, and all twelve brands are expected to commercialize products by early 2025.

"These past six months have been transformative for ALUULA. Our decision to expand into new verticals has opened doors to new uses and opportunities for our materials," said Sage Berryman, CEO and President of ALUULA. "Collaborations with leaders like Arc'teryx and Michelin, alongside the introduction of our new materials, have significantly heightened interest among potential customers, driving new products and demand. We currently have a multitude of brands on our roster, with plans to add more in the future."

"Yet, our entry into these new verticals isn't just about growth, it's about setting new standards and pushing the boundaries of what's possible when an innovative material meets product design expertise. With the rise in demand for our core business, we've strategically chosen to concentrate our efforts solely on this, ensuring we fully maximize these opportunities. After diligently laying the groundwork over the past six months, we're now poised to embark on this next phase with full force," said Berryman.

Strategic Refocus

ALUULA launched its business in July 2019 with one product, ALUULA Gold™, and one customer, Ocean Rodeo Sports Inc. ("**Ocean Rodeo**"). Originally, the Company's strategy was to disrupt the wind sport market with a high-quality product using patented and proprietary materials that were lighter and stronger than competitor textiles.

ALUULA was successful in executing this strategy. This was due to its collaboration with innovation partner and subsidiary, Ocean Rodeo. Ocean Rodeo field tested ALUULA's materials and experimented with new manufacturing techniques, using these innovations in the production of kites and wings. This resulted in consistent success in competitions worldwide and established new performance standards for products in the wind sport industry. The results positioned ALUULA Gold™ as a highly sought-after material to produce high-performance kites and wings with.

ALUULA has undergone significant evolution since the summer of 2019. The Company has broadened its product range from one to approximately fifty. Additionally, the Company expanded the number of commercialized wind sport brands featuring ALUULA materials from one to sixteen, with current and ongoing growth.

During this evolution, ALUULA identified that its materials' unique properties benefit products in markets beyond wind sports, creating an opportunity to expand its strategy to the broader performance outdoor market.

To successfully execute this updated strategy and eliminate a perceived conflict of interest with its growing list of wind sport brands, ALUULA will discontinue Ocean Rodeo's operations and is actively exploring strategic alternatives with respect to Ocean Rodeo's assets including the Company's intellectual property portfolio, innovative wind sport product designs and marketing assets including the corporate brand.

"With our new strategic focus, we have decided to allocate all resources exclusively towards ALUULA's core business. By restructuring and refocusing, we aim to capitalize on the abundant opportunities that lie ahead, with the objective of driving sustained success for ALUULA," said Berryman.

Management Update

Due to the Company's streamlined strategic focus, Richard Myerscough stepped down as ALUULA's Chief Innovation Officer (CIO), effective April 30, 2024. Mr. Myerscough remains a valued member of the board of directors and will continue to contribute his product innovation expertise through this capacity moving forward.

"We extend our gratitude to Richard for his contributions to ALUULA as its Founder CEO, and CIO. He has played a pivotal role in our success and foundation, as his material science innovations have helped generate the interest we're now seeing across many industries. We look forward to his ongoing input as a director on our board," said Berryman.

The Company also announces that as of June 30th, 2024, ALUULA's COO, John Zimmerman, will transition out of the business. Mr. Zimmerman oversaw the expansion of ALUULA's wind sports business from one customer to collaborations with most of the brands in the industry.

"John played a crucial role in ALUULA's corporate growth, from securing financing to expanding our company and diversifying our revenue streams. He established the foundation of our wind sports offering, which serves as the cornerstone of ALUULA's business. Over the next few months, we will work together on a transition plan aimed at enabling ALUULA's next-generation sales team to capitalize on the foundation John has laid down, thereby maximizing its potential value," said Berryman.

About ALUULA Composites

ALUULA is a materials company that works with leading brands to make their products significantly lighter, stronger, and more sustainable with its range of 100% recyclable textiles. Proudly owned and manufactured on the Canadian west coast, ALUULA's sustainability efforts and innovative high-performance products are changing the game for its brand partners, putting them on the cutting edge of sustainability and performance.

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ALUULA's Brand Partners

The term "brand partners" does not refer to formal partnerships with our customers. The term refers to marketing relationships with our customers who use ALUULA's technology as a brand ingredient in their products.

TSX Venture Exchange

Forward-Looking Statements