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## **Element Lifestyle Retirement Files First Quarter Fiscal 2018 Financial Results**

**October 30, 2017, Vancouver, BC - Element Lifestyle Retirement Inc. (the "Company" or "Element") (TSX.V: ELM)** announces that the Company's unaudited condensed consolidated interim financial results for the first quarter fiscal 2018 ended August 31, 2017 have been filed on SEDAR. The full version of the Financial Statements and Management's Discussion & Analysis can be viewed on the Company's website at [www.elementliving.com](http://www.elementliving.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Financial and Corporate Highlights for the First Quarter Ended August 31, 2017**

- For the quarter, **revenues of \$684K**, compared to \$Nil for the same period last year;
- For the quarter, **net income of \$117K** (\$0.00 per share), compared to a net loss of \$540K (\$0.01 per share) for the same period last year;
- The Company's **cash balance increased to \$4.42 million** at August 31, 2017, compared to \$4.24 million at May 31, 2017. The variance was primarily from cash provided by operating and financing activities net of cash used in investing activities;
- **Working capital increased to \$3.29 million** at August 31, 2017, compared to \$2.29 million at May 31, 2017;
- **Cash flow used in operating activities was \$0.75 million**, compared to \$0.56 million in the comparative period last year;
- **Investing activities used cash of \$6.98 million** in the first quarter, compared to \$0.08 million in the same period last year;
- **Cash flow from financing activities was \$7.91 million** in the first quarter, compared to \$0.71 million in the comparative period last year. Funds were used to complete the property acquisition in the Victoria Harbour Area at Bayview Place during the quarter; and

- The favourable quarterly performance was reflected primarily from the amended consultant agreements regarding the Opal and Oasis projects which stabilized revenues for the quarter and are expected to do so on a go-forward basis.

### **Business Highlights**

- Amended Agreements - the Company, in the past, received fees when certain milestones were achieved, usually numerous months in arrears of when services were rendered and subsequently paid. Amended consultant agreements to provide for compensation terms more favourable to the Company and better reflective of industry standards were signed, for both the Opal and Oasis projects, and on a go-forward basis, fees will be billed and paid in monthly installments when services are rendered.
- Cost Management - the Company continues to be determined to take significant measures to reduce its cash burn by purging non-essential expenditures and preserving its cash position.
- Strategic Focus - the Company, in recent months, has strengthened its business model and entered the acquisition arena. This strategic step towards building a portfolio of partially or wholly-owned assets will include: acquiring and developing land under Element's intergenerational aging-in-place model in amenity-rich locations; the potential purchase of existing operations for immediate operating revenue, and, ultimately; the long-term management of the properties that the Company owns. The Bayview acquisition represents the Company's focus to expand its scope of business into the ownership arena through a highly selective acquisition process.

### **OPAL Project Update**

- Project is on schedule and on budget.
- 75% of units sold; 78% of inventory value sold; 65% rentals reserved with deposit.
- Construction is expected to be completed in the 1<sup>st</sup> quarter of calendar year 2019.

### **OASIS Project Update**

- Project is anticipated to receive 3<sup>rd</sup> Reading in the rezoning process from the Township of Langley within the next calendar year.

### **BAYVIEW Project Update**

- Project architects are engaged on the development permit application with target for submission to the City of Victoria before the end of December 2017.
- All major consultants have been engaged.



*Michael Diao, CEO, states, "The first quarter results demonstrate the strength of our people and the value of our integrated business model. We have worked diligently to increase our revenues, working capital and cash on hand. Over the next three quarters of calendar 2018, we look forward to implementing our intergenerational aging-in-place brand regarding the Opal project in Vancouver and the start of design, excavation and construction of Element's wholly-owned project located in downtown Victoria."*

### **Strategic Priorities**

The Company's key strategic priorities are:

- completing construction in the first quarter of calendar year 2019 regarding the OPAL Project, in the core of Vancouver's vibrant Cambie Village;
- taking the Company's award-winning 17-acre master-planned project, OASIS in Langley, through to 3<sup>rd</sup> Reading anticipated in calendar year 2018;
- commencing development activities, without delay, on the proposed \$74.5 million project located on 1.96 acres along the harbourside of Victoria at Bayview Place that will comprise approximately 155 elegantly accommodated units. Project completion is anticipated for the fourth quarter of calendar year 2020; and
- adding at least one significant property in British Columbia, that is owned by the Company, in the next eighteen months to the Company's portfolio to be developed and operated under its intergenerational aging-in-place model.

The Company's directors and management believe that these priorities are formulating a solid foundation for Element Lifestyle Retirement Inc., and its shareholders, as it continues working towards building a prosperous, well-respected, and long-term seniors' retirement development and management services organization.

### **About Element Lifestyle Retirement Inc.**

Element was established in June 2013 in Vancouver, British Columbia and is in the business of providing comprehensive development consulting and operations management services. Collectively, the leadership team of Element has well over 100 years' experience in real estate and master planned community development, with specialization in hospitality management, and retirement community development and operations. Our development consulting services include property selection, assembly, and acquisition; building and community design; municipal approval and land entitlement processes, and construction project management. Additionally, Element is vertically integrated and provides innovative operational management services for existing or new retirement communities. The core business of Element has been the development and management of third party assets in the "retirement community" space, but has now moved into the ownership arena. The organization has positioned itself to be a leading development and retirement management services organization that is changing the perception and experience of aging with its innovative intergenerational aging-in-place model. The long-term mission is to remove the stigma and burden that come with aging and evolving health. New property developments will be under Element's branded model. It encompasses a seamless transition for older adults from independence to assisted living to complex care, while integrating accommodation and activities for all ages to create a vibrant environment. This enables older adults and their families to have complete peace of mind with the availability of adaptive services and care in a purpose-built customized community that will accommodate residents' changing needs.



**ON BEHALF OF THE BOARD OF DIRECTORS**

**ELEMENT LIFESTYLE RETIREMENT INC.**

*“Michael Diao”*

Chief Executive Officer and Director

For further information, please visit [www.elementliving.com](http://www.elementliving.com) or contact Element at (604) 676-1418.

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**Forward Looking Statement Caution**

This news release contains “forward-looking information” within the meaning of applicable securities laws relating to development of Element’s business and advancing the Company’s plans. In this news release, words such as “may”, “would”, “could”, “will”, “likely”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate” and similar words and the negative form thereof are used to identify forward looking information. Forward looking information should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. Forward-looking information is based on information available at the time and/or the Company management’s good faith belief with respect to future events and is subject to known or unknown risks, uncertainties, assumptions, and other unpredictable factors, many of which are beyond the Company’s control. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks associated with Element’s business as disclosed in the Company’s most recently filed MD&A. The statements in this news release are made as of the date of this release. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

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