

# Nextleaf Solutions Provides Commercial Update

Vancouver, British Columbia--(Newsfile Corp. - July 6, 2020) - Nextleaf Solutions Ltd. (**CSE: OILS**) (**OTCQB: OILFF**) ("**Nextleaf**", "**OILS**", or the "**Company**"), Canada's most innovative cannabis extractor, is pleased to provide the following commercial update:

## **Bulk THC Distillate Supply Deal**

Nextleaf Labs Ltd. ("**Nextleaf Labs**"), a Health Canada licensed standard processor of which the acquisition by OILS is pending, has entered into a bulk supply agreement with a B.C.-based multi-licensed cannabis producer focused on the distribution of adult-use cannabis products through provincial markets. Pursuant to the agreement, Nextleaf Labs has agreed to supply 50 kilograms of THC distillate to the purchaser.

"We are very pleased to be working with a team with tremendous depth of experience distributing cannabis products through provincial adult-use channels," said Charles Ackerman, CFO. "As we continue to grow our revenue, we believe our lean overhead structure and purposeful business model, which hasn't deviated since our Company's founding, will allow OILS to achieve and maintain profitability in the near term, and as our industry continues to commoditize. We believe our investment in innovation will help us to ensure the long-term sustainability of our business and provide a robust platform to scale globally from our base in Canada," continued Ackerman.

This agreement represents an important milestone for the Company, allowing OILS to continue the commercialization of its intellectual property ("**IP**") portfolio through the production of cannabis oils and concentrates by Nextleaf Labs. OILS owns a portfolio of over 35 issued patents and 65 pending patents for the extraction, distillation, and formulation of cannabinoids.

## **Commercial Scaleup**

Concurrent with commercialization of the Company's IP through distilled cannabis oil production, Nextleaf has made several key hires in operations and quality assurance roles to support increased growth and fundamentals. The Company has been able to recruit highly-trained staff with existing cannabis production and manufacturing experience.

"The recent downsizing by a number of Canada's largest cannabis producers has allowed OILS to add some very experienced operators to our team, who I expect will play a major role in our growth as a company over the next few years," said Paul Pedersen, CEO of Nextleaf Solutions. "With an abundant supply of dried cannabis biomass, Nextleaf Labs is developing a competitive advantage by utilizing more efficient proprietary technology to transform otherwise unsellable biomass into high-purity THC and CBD oils at a lower cost per milligram compared to processors running less efficient off-the-shelf extraction technology," continued Pedersen.

The Company is focused on reaching full utilization of over half a tonne of biomass processing per day at its Metro Vancouver cannabis oil refinery in 2020. Nextleaf Labs is processing biomass under the Cannabis Extraction Agreement announced on April 2, 2020 with a 10-acre greenhouse cannabis grower. Nextleaf Labs expects to continue scaling its operations through toll processing and the supply of bulk cannabis concentrates. The industry has seen increased demand for economical extraction and distillation due to the legalization of cannabis 2.0 derivative products, and an over supply of dried cannabis biomass that has a shorter shelf life compared to cannabis oils.

## **Employee Equity Participation Plan**

The Company announced today that it has issued shares under its Employee Equity Participation Plan

(the "**Plan**") implemented on April 1<sup>st</sup> in response to the COVID-19 pandemic to align the efforts and compensation of non-executive employees with the Company's long-term business strategy.

The Plan is fully voluntary and permits non-executive employees to receive common shares in the capital of the Company in lieu of a portion of an employee's cash compensation. The Plan allows the Company to reduce the cash component of employee compensation and further align incentives across the team.

Under the Plan for the month of June, Nextleaf has issued an aggregate of 68,126 common shares at a price of \$0.285 per share.

## **About Nextleaf®**

OILS is Canada's most innovative cannabis extractor, developing technology for extracting and distilling THC and CBD oils. Nextleaf's industrial-scale extraction plant in Metro Vancouver has a design capacity to process 600 kg per day of dried cannabis biomass into distilled oils. The Company owns a portfolio of over 35 issued patents and 65 pending patents for the extraction and distillation of cannabinoids. Nextleaf Solutions commercializes its patent portfolio through IP licensing, and the wholesale of THC and CBD oils through Nextleaf Labs, a Health Canada licensed standard processor.

Nextleaf Solutions trades as **OILS** on the Canadian Securities Exchange, **OILFF** on the OTCQB Market in the United States, and **LOMA** on the Frankfurt Stock Exchange.

Follow OILS across social media platforms: [Twitter](#), [LinkedIn](#), [Facebook](#), and [Instagram](#).  
[www.nextleafsolutions.com](http://www.nextleafsolutions.com)

For further information, please contact:  
604-283-2301 (ext. 219)  
[investors@nextleafsolutions.com](mailto:investors@nextleafsolutions.com)

*On behalf of the Board of Directors of the Company,  
Paul Pedersen, CEO*

Certain statements contained in this press release constitute "forward-looking statements". All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company's ability to capitalize on its IP portfolio, expectations regarding lower costs resulting from utilization of the Company's technology, changes in the global market for cannabinoid-based products, the potential for shareholder value creation through the formalization and protection of IP, the Company's future profitability and expected revenue growth, the long-term sustainability of the Company's business model, the ability to scale the Company's business globally, the Company's strategy, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company's MD&A for the most recent fiscal period. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking

statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law. The CSE has not reviewed, approved or disapproved the contents of this press release.

**NEX>TL**LEAF

To view the source version of this press release, please visit

<https://www.newsfilecorp.com/release/59174>