

Nextleaf Solutions Granted CBD Prodrug Patent In The United States

The Company's latest U.S. patent is for the Acetylation of Cannabinoids, protecting the production of a CBD-derived prodrug with potential applications in the pharmaceutical industry.

Vancouver, British Columbia--(Newsfile Corp. - November 5, 2020) - Nextleaf Solutions Ltd. (**CSE: OILS**) (**OTCQB: OILFF**) ("**Nextleaf**", "**OILS**", or the "**Company**"), Canada's most innovative cannabis extractor, announced today that the United States Patent and Trademark Office has granted the Company a second patent for the acetylation of cannabinoids. More specifically, the patent covers a process for acetylating cannabidiol ("CBD"), and subsequent refinement of CBD-O-Acetate.

The Company owns a portfolio of 10 issued U.S. patents for extraction, purification, and delivery of cannabinoids, along with a 100% success rate obtaining issued patents from its pending patent applications, compared to less than 50% for life science companies¹.

"We expect the results of the 2020 U.S. elections will have a transformational effect on the future of cannabis legalization in the United States," stated Paul Pedersen, CEO of Nextleaf Solutions. "With the second largest patent portfolio of any cannabis company, Nextleaf has the type of robust intellectual property that draws attention from pharmaceutical companies anticipating the U.S. federal legalization of cannabinoids."

Nextleaf's patented process to produce CBD-O-Acetate enables the standardization of a more potent analog of CBD, an alternative option to experience the unique medicinal benefits associated with targeted drug delivery. Prodrugs utilize various physical and chemical modifications to improve features of active drugs. Maintaining the integrity of the molecule and its ability to deliver drugs to precisely targeted areas in the body may increase efficacy for desired outcomes.

The Company believes an orally consumable CBD metabolic prodrug produced under its patented process for acetylating cannabidiol will enhance the therapeutic potency of CBD.

OILS was granted a [U.S. patent in February](#) for the acetylation of delta 9-tetrahydrocannabinol ("THC"), and subsequent refinement of THC-O-Acetate.

"With this second U.S. patent for acetylation of cannabinoids, we are able to efficiently modify and potentially improve upon the medicinal properties of a natural product that has been in use for thousands of years," stated Ryan Ko, Chief Technical Officer.

The Company has commenced a search for commercialization partners of its cannabinoid acetylation patents, with a specific focus on pharmaceutical companies seeking novel cannabinoid-derived products for clinical trials, and turnkey pharmaceutical production.

About Nextleaf®

OILS is Canada's most innovative cannabis extractor, developing technology for extracting and distilling cannabinoids. OILS wholesales THC and CBD oils and provides extraction services through its wholly owned subsidiary Nextleaf Labs Ltd., a Health Canada licensed processor. The Company owns a portfolio of over 50 issued patents and over 50 pending patents for the extraction, purification, and delivery of cannabinoids. The Company's proprietary closed-loop extraction plant in Metro Vancouver

has a design capacity to process 600 kg per day of dried cannabis biomass into distilled oils.

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.

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On behalf of the Board of Directors of OILS,

Paul Pedersen, CEO

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¹ Michael Carley, Deepak Hegde & Alan Marco, What is the Probability of Receiving a U.S. Patent?, 17 Yale J.L. & Tech (2015). Available at: <https://digitalcommons.law.yale.edu/yjolt/vol17/iss1/5>

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