



New Leaf Ventures Provides Corporate Update

VANCOUVER, British Columbia, May 18, 2021 (GLOBE NEWSWIRE) -- **New Leaf Ventures Inc.** (CSE: NLV) (OTC: NLVVF) ("New Leaf," "NLV" or the "Company"), a management and investment organization dedicated to evaluating, investing, and accelerating advanced stage operations in the North American Cannabis sector, is pleased to provide a corporate update following its 1-year IPO anniversary.

May of 2020 is when New Leaf successfully listed on the Canadian Securities Exchange under the symbol "NLV" and financed over \$1.9M to commence a calculated turnaround investment. The Company went on to quickly complete an acquisition transaction for 100% of the shares of New Leaf USA, Inc. (and its subsidiaries) which provides consulting services, physical and intellectual property, production equipment, marketing and related services to a Washington-based Tier 3 Producer/Processor licensee focused on industrial-scale agronomy, processing, packaging, and distribution of cannabis and cannabis related products.

The Company subsequently listed on the US-based OTC Markets listing under the symbol "NLVVF" with trading support from the Depository Trust Company ("DTC") effectively establishing a key ability to open the door for US investors.

The New Leaf team immediately identified and actioned several key goals for rapid development. These included updates to existing product identities as well as introductory brand positioning across the edibles, CBD, infused beverages, premium brands and related greenhouse and outdoor product lineups. With investment, and vastly improved visibility for New Leaf Enterprises, came increased purchasing power and a commensurate ability to offer flower and pre-roll products in greater volume with an expanded range of strains and price levels.

Throughout the year New Leaf Ventures had a total of 15,921,637 warrants and options exercised at various strike prices for more than \$4.48M raised. This led to upgrades to cultivation facilities providing the sales team with greater volume of internally grown (high value) Dama flower offerings. The industrial kitchen upgrades increased edible product output capacity and the introduction of several new product categories. Cost efficiencies targeted the realignment of inventory management, supply chain controls and extension of the entire product SKU catalogue through strategic investment. New processes and procedures alongside timely equipment investments now position product consistency, quality, and assured accessibility as an end-to-end brand family aimed directly at key retailers and wholesalers throughout the Pacific Northwest marketplace.

Development of new brands combined with structured and responsive marketing allowed for greater consumer feedback and faster time-to-market development of new product lines aligned to market trend data. Aggressive distribution of samples to retailers, alongside structured follow-up and incentive closing protocols identified several new sales category opportunities.

A prime example of a new product category is the flagship Dama brand entry into the growing CBD marketplace. Featuring herbal blend tinctures, soft gels, and topicals, the new products are designed for direct-to-consumer online national sales and through wholesale agreements with multi-outlet grocery and pharmacy retailers. All the infrastructure has been finalized over the last several months and is now ready to launch in Q2, 2021.

By mid-year it was apparent that the investment in equipment upgrades had quantifiably grown regional market share. A significant boost was realized when the license holder announced its ability to acquire additional biomass valued at approximately \$3M USD (retail). This timely opportunity comes just as new-found production capability is set to propel the Company and immediately increase B2B commitments amidst growing consumer sales. Revenues of the license holder noticeably improved with a first quarter (Q1, 2021) increase of 35%. Retail accounts grew by 40% since the beginning of Q1 and included expansion across most of Washington state with significant new sales penetration into the eastern portions of the region.

As a result of trend data that placed the global market for Cannabis Edibles at US\$2.9 Billion in 2020 and projected to reach US\$11.8 Billion by 2027 while growing at a CAGR of 22.3% (courtesy Research and Markets, 2020), the Company responded with the timely introduction of its regionally acclaimed 'Goodies' hard candies which offers easy microdose control and an extensive flavor lineup. During this period, New Leaf's flagship Dama brand product team also introduced 'Dama Select,' a collection of premium specialty strains with a focus on high quality, farm sourced, hand curated cannabis flower.

The Company went on to initiate a strategic collaborative partnership with Seattle's Schilling Hard Cider for entry into the cannabis infused beverage marketplace and engaged Fire Creative Branding of Seattle to undertake branding and packaging design initiatives across the growing lineup of cannabis products and categories.

Recently, New Leaf reported that for the first time in the license holders' history, its biomass processing capability exceeded projected capacity. This came as a result of the acquisition and installation of higher efficiency dried flower trimming and sorting machines, advanced drying and curing systems, along with extensive pre-roll automation. Looking ahead, the increase in production output further accelerated plans to position New Leaf USA as a white label service provider to several keenly interested underproducing regional brands.

The business development team also successfully navigated agreements with both new and long-standing local Tier 1, 2 and 3

farm operators aimed at ensuring sustainable long term biomass purchasing access. With additional processing capability in-place, New Leaf USA is increasingly confident these multiple efforts and initiatives will result in the ability to service a significant increase in regional consumer market share. Located just north of Seattle's SEA-TAC airport, New Leaf's 30,000 square foot facility leased by the license holder is strategically positioned as a major competitor in distribution throughout Washington State. To capitalize on this enhanced role in the marketplace, the Company announced the appointment of ex-Red Bull territory manager David Weston to build a robust sales team and lead the development of new initiatives, including the procurement of additional white-label opportunities, adding additional industry-recognized names to our rapidly growing house of brands concept.

Michael Stier, CEO of New Leaf Ventures states, "Its amazing that we have hit this anniversary with so many initiatives already underway. When we reflect on what we have achieved, I think the entire team can be justifiably proud of how much has been accomplished. But it has also only just been a year, and we have lots more to do. But as is plain to see, our investments have created momentum beyond our initial expectation, so I am confident that the upcoming quarters will fully validate what we set out to do. Continuing this current momentum, we look to multi-state expansion to propel further value and increase market share for all our brands. We thank the team, our partners, stakeholders and especially our shareholders for their continued participation and interest in New Leaf. We invite you to share our story and look forward together for an even more exciting second anniversary ahead."

About New Leaf Ventures Inc. (CSE: NLV) (OTC: NLVVF)

New Leaf Ventures Inc. is developing a cannabis sector-based scalable securities concept of focused financing and applied management to achieve earnings growth through targeted investment. The Company's flagship enterprise is New Leaf USA and its subsidiaries, which provide licenses, consulting services, real property, intellectual property and equipment for lease and ancillary services to a Washington-based Tier 3 Producer/Processor focused on cultivating, growing, processing, packaging, and distributing cannabis and cannabis related products. Find out more at: <https://newleafventuresinc.com/>.

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