

## Nextleaf Solutions Elevates Cannabis Vape R&D Through Ground-Breaking Human Trials Program

*Nextleaf fulfills initial order in new supply partnership with Atlantic Canada partner and provides update on its Health Canada sales licence amendment.*

VANCOUVER, April 1, 2021 - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (CSE: **OILS**) (OTCQB: **OILFF**), the world's most innovative cannabis processor, is pleased to announce that it has commenced human trials of cannabis vapes.

Under its amended Cannabis Research Licence from Health Canada, Nextleaf is collecting sensory evaluation data from qualified volunteers completing organoleptic assessments of a wide variety of formulated cannabis vape products. The Company is comprehensively testing a range of cannabinoid and terpene formulations, including how various vape hardware interacts with different formulations. Nextleaf expects to accelerate product development and drastically shorten design cycles for launching new cannabis vape products by validating formulations and delivery technologies more efficiently.

Forbes wrote a feature around Nextleaf's human trial program on March 30, 2021, and the [article can be read here](#).

"The amended Cannabis Research Licence allows Nextleaf to rapidly formulate a wide variety of cannabis products and administer samples to volunteer research participants," said Nextleaf Solutions R&D Lead, Dr. David Novitski. "The ability to provide commercial partners with data-based consumer insights around taste and overall user experience is a true game changer for product development."



The data collected from the human trials program is being used by the Company and its commercial partners to launch vape products into adult-use markets across Canada.

Since becoming legal in Canada, vapes have emerged as the clear leader of all cannabis 2.0 products. According to the most recent data from the Ontario Cannabis Store, the vape category ranks second only to dried flower with 15.7% of all Ontario cannabis sales. In more mature adult-use markets like Colorado, Oregon, and Washington, the market share for cannabis vapes reached as high as 22.3%, according to data from Headset. As Canada continues to roll out brick and mortar cannabis retail stores, the vape segment is expected to continue to increase in overall size and market share. The Company believes the CBD vape subcategory could see significant growth should Health Canada regulations change to allow for increased legal access to CBD products. Nextleaf plans to validate its proprietary CBD vape technology under its amended Cannabis Research Licence.

Collecting data-based consumer insights is particularly important in an increasingly competitive market in which initial product launches can dictate the long-term success of a brand.

“There are a lot of subpar vape products available in the market today that have not gone through rigorous testing and human trials,” said Nextleaf Solutions CEO Paul Pedersen. “Issues such as poor taste, clogging, leaking, and crystallization in CBD vapes are well documented throughout the industry. Collecting consumer feedback during product development is key to launching differentiated cannabis 2.0 products that provide consumers with a positive experience and value.”

Considering the recent cannabis investments by large pharmaceutical and tobacco companies, it is apparent that generating and protecting intellectual property is becoming more important in the next phase of the industry’s maturation. Management believes Nextleaf is well positioned with its product innovation pipeline, and success securing issued patents in the United States. Nextleaf owns 12 U.S. patents and has been issued over 70 patents globally. Innovation is core to Nextleaf’s value proposition, and its ability to differentiate with its patented and patent pending cannabinoid delivery technologies and formulations. The amended Cannabis Research Licence allows Nextleaf to continue to develop, validate, and strengthen its R&D within a federally legal market.

### **Nextleaf Supplies Cannabis Distillate to Power the Vape Launch of its Atlantic Canadian Partner**

The Company, through its wholly-owned subsidiary Nextleaf Labs Ltd. (“**Nextleaf Labs**”), is pleased to announce the addition of an Atlantic Canada based producer (the “**Partner**”) to the OILS Commercial Partners Program. The Company has executed an initial bulk

sale of high purity cannabis distillate to support its partner's commercial launch of large format vape products. Nextleaf expects this commercial supply transaction to lead to a long-term white label supply partnership, with Nextleaf powering its partner's vape brand distribution strategy in Atlantic Canada and other future provincial markets.

### **Update on Health Canada Sales Licence Amendment**

In January 2021, Nextleaf Labs filed an amendment to its Health Canada standard processing licence that upon receipt, will allow direct sale of finished product to provincially authorized distributors and retailers nationwide. The Company expects licensing to be imminent. The licence will allow Nextleaf Labs to offer additional value-added services to its partners and it affords Nextleaf dynamic flexibility should the Company deem it accretive to launch branded consumer products directly into provincially authorized retailers across the country.

### **About Nextleaf®**

Nextleaf Solutions is an innovative cannabis processor that owns one of the largest portfolios of U.S. patents for the extraction, distillation, and delivery of cannabinoids. Through its wholly-owned subsidiary Nextleaf Labs Ltd, a licensed processor, the Company is a low-cost producer of cannabis distillate and private label THC & CBD oils. Nextleaf's proprietary closed-loop automated extraction plant in Metro Vancouver has a design capacity to process 600 kilos of dried cannabis into oil per day. The Company owns 12 U.S. patents and has been issued over 70 patents globally. Nextleaf is developing delivery technology through its Health Canada research licence with sensory evaluation of cannabis via human testing. The Company's patent pending Rapid Emulsion Technology by OILS™ powers differentiated ingestible cannabis products. Nextleaf is commercializing its issued and pending patents through licensing of intellectual property, extraction services, and supplying cannabis oils to qualified Canadian and international business-to-business partners under their own brand.

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 the Company,

Paul Pedersen, CEO

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