

Nextleaf Launches Specialty Molecules Division

THC-O-Acetate to be Produced Through Company's Specialty Molecule Division

VANCOUVER, June 15, 2021 - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (CSE: **OILS**) (OTCQB: **OILFF**), an extraction company that owns one of the largest portfolios of U.S. patents for the extraction and distillation of cannabinoids, is pleased to announce the launch of a *Specialty Molecules Division* to focus on the development and commercialization of novel psychoactive compounds. The division is supported by the Company's existing intellectual property ("IP") portfolio, including the manufacturing of CBD-O-acetate and the recently announced U.S. patent for the synthesis of THC-O-acetate.



(Left to right: Dr. Xuan Jia, Paul Pedersen, Ryan Ko, Dr. David Novitski, Keenan Sindia)

"The purpose of this new division is to leverage Nextleaf's existing intellectual property and delivery technology to develop IP-protected therapeutic products from novel molecules," said Paul Pedersen, Chief Executive Officer of OILS. "The commercial opportunity for our *Specialty Molecules Division* is to partner with larger organizations looking for differentiation by leveraging Nextleaf's intellectual property and Metro Vancouver based licensed innovation lab and extraction plant to manufacture specialty molecules under Nextleaf's Health Canada licenses. We anticipate our *Specialty Molecules Division* will play a major role in long-term value creation thanks to the

disruptive nature of our IP, particularly as it relates to the acetylation of cannabinoids,” said Pedersen.

The cannabis industry has seen an increased focus on novel cannabinoid-based products with wellness and therapeutic applications, and investment from large pharmaceutical and CPG companies. An example is the recent \$221 million investment by British American Tobacco in Canadian cannabis producer Organigram.

Nextleaf expects to announce a future R&D and innovation agreement with a large strategic partner operating in the cannabis or pharmaceutical space.

The initial focus of the *Specialty Molecules Division* is commercializing more complex cannabinoid-based treatments that may provide a therapeutic alternative to opioid-based medications. The Company currently holds the prerequisite licensing necessary under the Cannabis Act to commercialize THC-O-acetate in Canada.

THC-O-Acetate

Nextleaf intends to develop therapeutic products from its intellectual property pertaining to the acetylation of cannabinoids. The Company expects to release adult-use products with THC-O-acetate, which to the best of the Company’s knowledge has never been sold under a legal framework.

The Company believes a THC-derived product produced with its patented acetylation process may hold significant potential as a therapeutic due to anecdotal reports of THC-O-acetate having a more gradual onset, longer-lasting effects, and altered psychoactive effects, as compared to Delta-9-THC. The reported enhanced potency may also have potential for reducing the cost per dose and the amount of active ingredient in a formulation to obtain the same level of effect compared to Delta-9-THC.

Nextleaf’s U.S. and Canadian issued patents describe a process of acetylating THC by refluxing naturally derived THC distillate in the presence of a single reactant, with THC-O-acetate the product of the reaction.

“This U.S. patent covers our method of THC acetylation and follows our previous patent for synthesizing THC-O-acetate, with improvements to reaction efficiencies,” said patent author Dr. David Novitski. “Our latest patented method reduces processing time and costs, which are critical when scaling up any drug delivery technology, and THC-O-acetate is no different.”

THC-O-acetate acts as a metabolic prodrug for THC, which can improve the absorption, metabolization, and distribution within the body. Prodrugs themselves are an inactive derivative that must be biologically transformed *in vivo* to release the pharmacologically

active parent drug, ideally a single-step enzymatic activation. Common examples of prodrugs include codeine, which is metabolized into the painkiller morphine, and psilocybin, which is metabolized into the psychedelic form psilocin.

Nextleaf Featured in Forbes

Nextleaf CEO Paul Pedersen was interviewed by Stephen Key, a Forbes contributor and a leading expert on innovation, intellectual property, and licensing. The interview was focused on [Nextleaf's IP strategy](#) and published on the Forbes website last week. The article was the second such publication to feature Nextleaf, with a March 2021 Forbes article by Amanda Siebert focused on [the Company's ground-breaking human trials program](#).

About Nextleaf®

Nextleaf is an innovative cannabis processor that owns one of the largest portfolios of U.S. patents for the extraction, distillation, and delivery of cannabinoids. Nextleaf supplies cannabis oils to its wholesale customers and distributes consumer products under its award-winning prohibition-era brand, Glacial Gold™. 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. Nextleaf is developing delivery technology through its Health Canada Research Licence with sensory evaluation of cannabis via human testing. The Company owns 14 U.S. patents and has been issued 80 patents globally.

Nextleaf Solutions trades as [OILS on the Canadian Securities Exchange](#), [OILFF on the OTCQB Market in the United States](#), and [L0MA 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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